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POLYVINYL CHLORIDE SHEET AND FILM FROM THE REPUBLIC OF CHINA

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Determination of Injury or Likelihood Thereof in Investigation No. AA1921-178 Under the Antidumping Act, 1921, as Amended, Together With the Information Obtained in the Investigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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II

CONTENTS

	Page
Determination of injury or likelihood thereof	1
Statement of reasons for the affirmative determination of Vice Chairman Joseph O. Parker, and Commissioners George M. Moore and Catherine Bedell	3
Statement of reasons for the affirmative determination of Commissioner Bill Alberger	8
Statement of reasons for the negative determination of Commissioner Italo H. Ablondi	12
Summary	A-1
Introduction	A-2
The product:	
Description and uses	A-3
U.S. tariff treatment	A-7
Nature and extent of sales at less than fair value	A-7
U.S. producers	A-8
Taiwanese producers	A-9
Importers	A-11
U.S. market	A-12
Consideration of injury or likelihood thereof	A-13
U.S. capacity, U.S. production, and capacity utilization	A-13
U.S. consumption, producers' shipments, and foreign trade	A-14
Inventories	A-18
Employment	A-18
Profit-and-loss experience of domestic producers	A-20
Consideration of the causal relationship between LTFV imports and alleged injury:	
Market penetration of LTFV imports	A-27
Lost sales	A-28
Prices--PVC resin	A-29
Prices of unsupported, flexible, calendered PVC sheet and film	A-30
Appendix A. Treasury letter advising the Commission of its determination of sales at LTFV and Treasury's Federal Register notices	A-37
Appendix B. USITC Federal Register notice of investigation and notice of investigation and hearing	A-45
Appendix C. Glossary of terms	A-49
Appendix D. Correspondence from Mr. Carl H. Swick of Atlanta Tubing & Rubber Co. to the Commission	A-51
Appendix E. Correspondence from Mr. Robert P. Magid to the Commission's staff and Hartford Corp.'s delivery schedule for "4-yard yield" PVC film	A-53

CONTENTS

Figures

		Page
1.	Typical calendering operation	A-5
2.	Four-roll inverted "L" calender	A-6
3.	Unsupported, flexible, calendered PVC film 3.0 to 3.9 mil gage: Net f.o.b. selling prices received by U.S. producers and importers of Taiwanese PVC sheet and film, other than that produced by Ocean Plastics and China Gulf, by quarters, 1975-77	A-33
4.	Unsupported, flexible, calendered PVC film 4.0 to 5.9 mil gage: Net f.o.b. selling prices received by U.S. producers and importers of Taiwanese PVC sheet and film, other than that produced by Ocean Plastics and China Gulf, by quarters, 1975-77	A-35

Tables

		Page
1.	PVC sheet and film from the Republic of China: U.S. sales, sales examined by the Department of the Treasury, sales at margin, range of margins, and weighted average margins, by companies, October 1, 1976-March 31, 1977	A-8
2.	PVC sheet and film: Taiwanese exports, total, and by company, 1975-77	A-11
3.	U.S. imports of PVC sheet and film from Taiwan: By importing firms and totals, 1973-77	A-12
4.	Flexible, calendered PVC sheet and film: U.S. capacity production, and capacity utilization, by types, 1973-77	A-14
5.	Unsupported, flexible, calendered PVC sheet and film: U.S. producers' shipments, exports, imports, and apparent consumption, 1973-77	A-15
6.	Flexible, extruded PVC sheet and film: U.S. producers' domestic sales, 1973-77	A-16
7.	Flexible PVC sheet and film: U.S. imports for consumption, by principal sources, 1973-77	A-17
8.	Unsupported, flexible, calendered PVC sheet and film: U.S. producers' yearend inventories and importers' yearend inventories of imports from Taiwan, 1973-77	A-18
9.	Average number of employees in U.S. facilities producing flexible, calendered PVC sheet and film, and production and related workers engaged in the manufacture of all products and flexible, calendered PVC sheet and film, 1973-77	A-19
10.	Person-hours worked in establishments producing flexible, calendered PVC sheet and film, 1973-77	A-19
11.	Aggregate profit-and-loss experience of 14 producers of unsupported, flexible, calendered PVC sheet and film on their flexible PVC calendering operations, 1974-77	A-20
12.	Profit-and loss experience of the PIAC companies, and of other domestic producers on their flexible, calendered PVC sheet and film operations, 1974-77	A-21

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CONTENTS

Page

Tables

13. PIAC companies, net operating profit or (loss) and ratio of net operating profit (or loss) to net sales before taxes, 1974-77--- A-22
14. Profit-and-loss experienced of 14 firms on their PVC sheet and film calendering operations, by firms, 1974-77---------- A-23
15. PVC sheet and film: Taiwanese exports to the United States of firms selling at fair value, at LTFV, and total, 1975-77-------- A-27
16. Cost of PVC resin to domestic producers of PVC sheet and film, by type of purchase, and by quarters, 1975-77---------- A-30
17. Unsupported, flexible, calendered PVC film 3.0 to 3.9 mil gage: Net f.o.b. selling prices received by U.S. producers and importers of Taiwanese PVC sheet and film, other than that produced by Ocean Plastics and China Gulf, by quarters, 1975-77---------- A-32
18. Unsupported, flexible, calendered PVC film 4.0 to 5.9 mil gage: Net f.o.b. selling prices received by U.S. producers and importers of Taiwanese PVC sheet and film, other than that produced by Ocean Plastics and China Gulf, by quarters, 1975-77---------- A-34

Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

[AA1921-178]

POLYVINYL CHLORIDE SHEET AND FILM FROM THE REPUBLIC OF CHINA

Determination of Injury or Likelihood Thereof

On January 12, 1978, the United States International Trade Commission received advice from the Department of the Treasury that polyvinyl chloride sheet and film from the Republic of China, with the exception of polyvinyl chloride sheet and film produced by China Gulf Plastics Corp. and Ocean Plastics Co., Ltd., are being, or are likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, on January 19, 1978, the Commission instituted investigation No. AA1921-178 under section 201(a) of said act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Notice of the institution of the investigation and of the public hearing held in connection therewith was published in the Federal Register on January 24, 1978 (43 F.R. 3319). On March 2, 1978, a public hearing was held in Washington, D.C., at which all persons who requested the opportunity were permitted to appear by counsel or in person.

On the basis of its investigation, the Commission has determined (Commissioner Ablondi dissenting) that an industry in the United States

is being or is likely to be injured 1/ by reason of the importation of polyvinyl chloride sheet and film from the Republic of China that are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

In arriving at its determination, the Commission gave due consideration to all written submissions from interested parties and information adduced at the hearings as well as information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

1/ Chairman Minchew and Vice Chairman Parker determined that an industry in the United States is likely to be injured; Commissioner Alberger determined that an industry in the United States is being injured; Commissioners Moore and Bedell determined that an industry in the United States is being, or is likely to be, injured.

Statement of Reasons for the Affirmative Determination of Vice Chairman Joseph O. Parker and Commissioners George M. Moore and Catherine Bedell 1/

After receiving advice from the Department of the Treasury on January 12, 1978, that polyvinyl chloride (PVC) sheet and film from the Republic of China (Taiwan), with the exception of PVC sheet and film produced by China Gulf Plastic Corp. and Ocean Plastics Corp., Ltd., are being, or are likely to be, sold in the United States at less than fair value (LTFV), the U.S. International Trade Commission instituted investigation No. AA1921-178 to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, 2/ by reason of the importation of such merchandise into the United States. As set forth in the Commission's notice of investigation (43 F.R. 3319) for the purposes of its determination of sales at LTFV, Treasury defined PVC sheet and film as--

> unsupported, flexible, calendered polyvinyl chloride sheet, film and strips over 6 inches in width and over 18 inches in length and at least 0.002 inches, but not over 0.020 inches in thickness.

After considering the information supplied by the Department of the Treasury and developed during the Commission's investigation, we determine that an industry in the United States is likely to be injured 3/ by reason of the importation of polyvinyl chloride sheet and film from Taiwan which the Secretary of the Treasury has determined are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

1/ Chairman Daniel Minchew concurs in the result.

2/ Prevention of establishment is not an issue in this investigation and will not be discussed further.

3/ Commissioners Moore and Bedell consider the information developed during the course of the investigation and discussed in these views as supporting a finding that the relevant domestic industry is being or is likely to be injured by reason of the subject LTFV imports.

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For purposes of our determination, we considered the domestic industry to consist of the facilities devoted to the production of unsupported, flexible, calendered PVC sheet and film (unsupported PVC sheet and film). These products (2 to 20 mils in thickness found by Treasury to be sold at LTFV) are not generally competitive with other kinds of PVC sheet and film, such as extruded PVC sheet and film. There are approximately 30 domestic producers of these products; five firms have discontinued production during the past 6 years.

Treasury's investigation of imports of PVC sheet and film from Taiwan covered the period October 1, 1976, through March 31, 1977, and was limited to the products manufactured by four companies supplying more than 90 percent of U.S. imports from Taiwan during the period of Treasury's investigation. 1/ Treasury made comparisons on 80 percent of the exports of these four companies, and, on the basis of these comparisons, one company was excluded from Treasury's determination since the margins were stated by Treasury to be "de minimis." Treasury also excluded a second company from its determination on the basis of minimal margins and the receipt of formal assurances that the producer would make no further sales at LTFV. Margins ranging from 2.1 to 46.7 percent were found on 36 percent of the sales by Nan Ya Plastics Corp. and from 2.1 to 40.1 percent on 97.7 percent of the sales by Cathay Plastic Industry Co., Ltd. The weighted average margins of Nan Ya and Cathay were 4.4 percent and 10.7 percent, respectively. No findings were made with respect to other, smaller Taiwanese exporters, but they were not excluded from the LTFV determination.

1/ See 43 F.R. 2254.

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From 1975 to 1977, imports from all sources increased from 55 million pounds to 91 million pounds. In the same period, imports of unsupported PVC sheet and film from Taiwan increased from 13.8 million to 28.1 million pounds. The two firms selling at LTFV supplied the bulk of imports from Taiwan. During 1975-77, imports from Cathay and Nan Ya increased as a share of apparent domestic consumption from approximately 3 percent to 4 percent. Since both these firms exported less than 20 percent of their annual production of unsupported PVC sheet and film to the United States in 1976 and 1977, both firms have the potential of further increasing their penetration of the U.S. market in the future with LTFV pricing.

The Commission's investigation disclosed that there is significant underselling of domestically produced unsupported PVC sheet and film with the greatest margin of underselling by imports from the two Taiwanese firms found to be selling at LTFV. These sales clearly tend to suppress U.S. prices. Comparisons made between U.S. producers' prices and those of the two firms Treasury found to have sold PVC sheet and film at LTFV indicate that the prices of these imports have consistently been approximately 25 percent below those of comparable domestic articles. Data gathered during the Commission's investigation indicate that imports of unsupported PVC sheet and film from other foreign producers are also underselling the domestic product, although not by as much as imports from the firms found to have sold at LTFV. If LTFV imports continue to enter in increasing quantities at lower prices, they are likely to have a price-competitive effect on imports from these other sources, making it increasingly

difficult for the domestic industry to price its products in accordance with its costs and to meet import competition.

Data gathered during the Commission's investigation show that U.S. producers operated their facilities for the production of unsupported PVC sheet and film at approximately 73 percent of capacity in 1973 and 1974. Capacity utilization declined sharply in 1975 before recovering in 1976 and 1977, but still has not returned to 1973 and 1974 levels. Of the 120 calenders for making unsupported PVC sheet and film in the domestic industry at the end of 1977, at least 15 units were idle.

Notwithstanding a 38-percent increase in apparent domestic consumption of unsupported PVC sheet and film from 1975 to 1977, there have been no appreciable increases in employment in the domestic industry The employment data obtained during the Commission's investigation show that employment and man-hours worked in the PVC sheet and film industry remained essentially the same during the period 1975-77.

Data submitted to the Commission indicate that, although the domestic industry operated profitably during 1974-77, profits fluctuated. The data show that net operating profit, which had increased in 1976 over 1975, fell back to the 1975 levels in 1977. Individual company data reveal that there are wide variations in the profit levels of the firms in the industry, making some significantly more vulnerable to injury from increased sales of imports sold at LTFV.

Thus, the Commission's investigation revealed that imports of

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unsupported PVC sheet and film which Treasury has determined are being sold at LTFV are increasing in actual terms and as a share of apparent domestic consumption. While apparent domestic consumption is increasing, there is underutilization of capacity in the domestic industry and employment has not increased. Profit has fluctuated and the profitability of firms in the industry varies, with some firms more vulnerable to injury from increasing LTFV imports. In view of the demonstrated willingness of the two firms to sell at LTFV, their apparent ability to increase their penetration of the U.S. market, and the conditions in the domestic industry, we have determined that the domestic industry is likely to be injured by reason of LTFV sales of the subject merchandise if they are permitted to continue.

Statement of Reasons for the Affirmative Determination of Commissioner Bill Alberger

In order for the United States International Trade Commission (Commission) to find in the affirmative in an investigation under the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), it is necessary to find that an industry in the United States is being or is likely to be injured, or is prevented from being established,[1/] and the injury or likelihood thereof must be by reason of imports at less than fair value (LTFV).

Determination

On the basis of the information developed in this investigation, I determine that an industry in the United States is being injured by reason of the importation of polyvinyl chloride (PVC) sheet and film from the Republic of China which is being, or is likely to be, sold at LTFV.

The Imported Article and the Domestic Industry

I believe the relevant domestic industry consists of the facilities devoted to the production of unsupported, flexible, calendered PVC sheet and film, the products found to be sold at LTFV by the Department of the Treasury. These products are not generally competitive with extruded PVC sheet and film. There are about 32 domestic producers of flexible, calendered, PVC sheet and film. Five firms have discontinued production during the past six years.

1/ Prevention of the establishment of an industry is not an issue in this investigation and will not be discussed further.

LTFV Sales

The Department of the Treasury (Treasury) investigation on PVC sheet and film from the Republic of China covered sales made during the period October 1, 1976, through March 31, 1977, the investigation was limited to four manufacturers who together accounted for more than 90 percent of all Taiwanese-made PVC sheet and film sold for export to the United States. They are Cathay Plastic Industry Co., Nan Ya Plastics Corp., China Gulf Plastics Corp., and Ocean Plastics Co., LTD. Fair Value comparisons were made on approximately 80 percent of sales to the United States by these manufacturers.

Treasury found the margin on Ocean Plastics' sales to be de minimus, and the margin on China Gulf's sales to be minimal, and after receiving price assurances from the latter, excluded both from the LTFV finding. The weighted average margins on sales by Cathay and Nan Ya were 10.7 and 4.4 percent respectively.

The Question of Injury or Likelihood Thereof by Reason of LTFV Sales

Imports and market share -- Imports from firms found to be selling at LTFV have increased steadily over the past four years, nearly doubling from 1975 to 1977. The share of the market held by such imports increased from approximately 3 percent to 4 percent from 1975 to 1977.

Capacity Utilization -- Utilization of U.S. producer's capacity has fluctuated widely in the last 5 years, from 73 percent in 1973 down to 48 percent in 1975, and back up to 61 percent in 1976 and 1977.

Production and Shipments -- Production was at record high levels in 1973 and 1974, declined sharply in 1975, and has recovered somewhat in 1976 and 1977, but remains below 1974 levels. Shipments followed a similar pattern.

Employment -- The average number of production and related workers engaged solely in the production of flexible, calendered PVC sheet and film declined by approximately ten percent from 1973 to 1975 and has remained steady since then.

Profit and Loss Experience -- The aggregate net operating profits for firms accounting for approximately 75 percent of total domestic shipments fell sixty percent from 1974 to 1977. From 1976 to 1977, the drop was 43 percent. The ratio of net operating profit to net sales dropped from 14.4 percent in 1974 to 5.2 percent in 1977.

Prices -- From 1975 through 1977, domestic producers' prices increased slightly, by seven percent. During this period, the Taiwanese suppliers found to be selling at LTFV priced their products approximately 25 percent below the prices of domestic products and increased their prices by only 1.4 percent from 1975-77. This margin of underselling effectively precluded U.S. producers from price rises to keep up with rising costs. PVC resin, the basic raw material for PVC sheet and film, increased by 10-15 percent during this period.

Lost Sales -- The Commission staff was able to verify two actual cases of lost sales, amounting to 412,000 pounds. Many purchasers of general purpose PVC films indicated they purchase their film requirements primarily on a price basis.

Likelihood of Injury -- Having found present injury in this case, I believe it is unnecessary to address likelihood of injury.

Conclusion

From the above considerations, I believe that the U.S. industry producing PVC sheet and film is being injured by reason of the importation of this product from the Republic of China. While some indicators such as production, shipments, and employment do not, in my judgment reflect strongly either positively or negatively, there is strong evidence of price suppression and weakening profits, and verification of lost sales.

Statement of Reasons for the Negative Determination of Commissioner Italo H. Ablondi

On January 12, 1978, the United States International Trade Commission received advice from the Department of the Treasury that polyvinyl chloride sheet and film (PVC) from the Republic of China (Taiwan), with the exception of that merchandise produced by China Gulf Plastic Corp. and Ocean Plastics Co., Ltd., are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, on January 19, 1978, the Commission instituted investigation No. AA1921-178 under section 201(a) of said act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Before the Commission may find in the affirmative in this investigation, it is necessary that the following two conditions be met:

(1) An industry in the United States is being or is likely to be injured, or is prevented from being established, 1/ and

(2) The requisite injury or likelihood of injury must be by reason of the importation into the United States of the merchandise which Treasury has determined is being, or is likely to be, sold at LTFV within the meaning of the Antidumping Act, 1921, as amended.

Determination

On the basis of the information developed in the investigation, I have determined that an industry in the United States is not being and is not likely to be injured by reason of the importation of polyvinyl chloride sheet and film from Taiwan which is being, or is likely to be, sold at LTFV.

1/ Prevention of the establishment of an industry is not an issue in this investigation and will not be discussed further.

The domestic industry

In this investigation I consider the relevant industry to consist of the facilities in the United States used in the production of unsupported, flexible, calendered PVC sheet and film--the articles which the Department of the Treasury found to be sold at LTFV. There are approximately 32 U.S. producers of this sheet and film.

No injury or likelihood of injury by reason of LTFV imports

Evidence developed during the investigation clearly demonstrates that any injury that might have been sustained by the domestic industry is not by reason of LTFV imports from Taiwan. The sharp drop in U.S. production, producers' shipments, and apparent consumption of PVC sheet and film that occurred between 1973-74, when U.S. producers operated at record high levels, and recession year 1975 can be attributed to such economic considerations as the shortage of PVC resins and plasticizers which resulted from the oil embargo; unusually large price increases for these raw materials (the price of PVC resins almost doubled between late 1973 and 1975), and inordinately high inventories which U.S. consumers of PVC sheet and film accumulated in 1974 because of threatened shortage of supply. When the U.S. economy softened in recession year 1975 and major markets for PVC sheet and film such as automobiles and furniture were particularly depressed, the demand for PVC sheet and film declined precipitously. The decline was not affected by imports from Taiwan, which remained small and relatively insignificant throughout 1973-75.

Both the complainants and the respondents to this proceeding have advised that the great bulk of the LTFV imports have consisted of economy-grade PVC sheet and film, which generally range between 2 mils and 6 mils in thickness. Ample testimony was revealed that during periods of tight supply, U.S. producers do not

solicit orders for this product since it is a low-profit item, and during periods of normal supply many U.S. producers do not quote reasonable leadtimes for it; thus, consumers have found it necessary to seek alternate suppliers for this important material. Other imports from Taiwan consist of double-polished clear PVC sheet and film, which also appears not to be available in an acceptable quality from domestic producers. Rather than displacing U.S. production and injuring U.S. producers, imports from Taiwan complement U.S. production by supplying certain economy-grade and double-polished clear items that are not readily available from domestic sources.

The Commission contacted 24 firms to which the domestic producers alleged that they had lost sales of PVC sheet and film totaling 28 million pounds to LTFV imports from Taiwan. Only two lost sales totaling less than 0.5 million pounds were confirmed. Further evidence of the lack of a causal link between any injury that the domestic industry may have experienced and LTFV imports is the limited extent to which such imports have penetrated the U.S. market. Such imports, most of which complement rather than compete with U.S. production, never exceeded 3 percent of apparent U.S. consumption in any year during 1973-77.

The Taiwanese supplier of LTFV imports which has the largest capacity to produce PVC sheet and film has recently built a PVC resin plant in Puerto Rico, and has advised that it will also build a three-calender PVC sheet and film plant in the United States. The other Taiwanese supplier of LTFV imports has only a limited capacity to increase its exports to the United States. It is unlikely that future imports from these two suppliers will increase. This, coupled with the fact that from 1975 to 1977, U.S. production of PVC sheet and film increased by 33 percent, producers' shipments increased by 33 percent, and consumption increased

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by 38 percent, with further increases anticipated for 1978, negates any likelihood of injury to the domestic industry. I have therefore made a negative determination in this investigation.

SUMMARY

This investigation, No. AA1921-178, covering polyvinyl chloride (PVC) sheet and film from the Republic of China (Taiwan), with the exception of PVC sheet and film produced by China Gulf Plastics Corp. and Ocean Plastics Corp., Ltd., was instituted by the U.S. International Trade Commission following the receipt of advice from the Department of the Treasury that PVC sheet and film are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended. Treasury's advice was received on January 12, 1978. The complaint which led to Treasury's determination of sales at LTFV was filed by counsel representing the Plastics Import Action Committee (PIAC).

Treasury's investigation of U.S. imports from the Republic of China covered the 6-month period from October 1, 1976, through March 31, 1977. It was limited to PVC sheet and film manufactured by Cathay Plastic Industry Co., Ltd.; China Gulf Plastics Corp.; Nan Ya Plastics Corp.; and Ocean Plastics Co., Ltd. These four companies accounted for more than 90 percent of U.S. imports of PVC sheet and film from Taiwan during the period of Treasury's investigation. Treasury made comparisons on approximately 80 percent of the PVC sheet and film sold to the United States by these four manufacturers. Based on the price comparisons, Ocean Plastics was excluded from Treasury's determination. In China Gulf's case, the small size of China Gulf's weighted average margin, together with receipt of formal price assurances, resulted in Treasury's discontinuing its investigation with respect to the China Gulf. Treasury's price comparisons for Nan Ya and Cathay revealed average weighted margins of 4.4 and 10.7 percent, respectively.

Flexible, calendered PVC sheet and film are produced from thermoplastic PVC resins. PVC sheet and film are used in the manufacture of such items as shower curtains, window shades, wall coverings, and upholstery for furniture and automobiles.

There are approximately 32 domestic producers of flexible, calendered PVC sheet and film. Five firms have discontinued production during the past 6 years. U.S. capacity to produce flexible, calendered, PVC sheet and film increased from 1,057 million pounds in 1973 to 1,144 million pounds in 1977. Capacity utilization peaked at about 73 percent in 1973, dropped sharply to 50 percent in 1975 and then increased to 63 percent in 1977.

Apparent U.S. consumption of unsupported, flexible, calendered PVC sheet and film, declined from 509 million pounds in 1973, to 361 million pounds in 1975, and then increased over the next 2 years to 499 million pounds in 1977 (2 percent below the 1973 level). Domestic producers' shipments declined from 452 million pounds in 1973 to 311 million pounds in 1975 and then increased to 412 million pounds in 1977.

U.S. imports of flexible PVC sheet and film declined from 64.5 million pounds in 1973 to 55.0 million pounds in 1975, and then increased to 91.7 million pounds in 1977. In 1977, Taiwan, Japan, and West Germany each

supplied about 31 percent of total U.S. imports. Imports from Taiwan more than doubled from 13.8 million pounds in 1975 to 28 million pounds in 1977. In 1977, 4 major Taiwanese producers accounted for 95 percent of total U.S. imports of unsupported, flexible, calendered PVC sheet and film from Taiwan.

The net operating profits for 14 domestic producers on their calendering operations declined irregularly from 42.4 million dollars in 1973 to 16.9 million dollars in 1977. PVC sheet and film imported from Taiwan undersold the U.S.-made product by about 25 percent throughout the 1975-77 period.

Imports of PVC sheet and film from firms found to be selling at LTFV increased rapidly from * * * million pounds in 1975 to * * * million pounds in 1977. The ratio of imports from firms selling at LTFV to apparent U.S. consumption of unsupported PVC sheet and film increased from * * * percent in 1975 to * * * percent in 1976, and to * * * percent in 1977.

From 1975 to 1977 the weighted average unit values of all domestic shipments of unsupported, flexible, calendered PVC sheet and film increased by 6 percent. During the same period, the weighted average unit values of imports for firms found to be selling at LTFV increased by only 1.4 percent. Domestic producers' prices for PVC films in the 3.0 to 3.9 mil gauges increased irregularly from 57.61 cents per pound in the first quarter of 1975 to 64.32 cents per pound in the third quarter of 1977. Prices for the imported products increased slightly from * * * cents per pound in the third quarter of 1975 to * * * cents per pound in the third quarter of 1977. In the last quarter of 1977, the weighted average price for both the domestic and imported products declined. Prices of both domestically produced and imported PVC films in the 4.0 to 5.9 mil gages followed the same trend in 1975-77 as that reported for the 3.0 to 3.9 gage material.

INTRODUCTION

On January 12, 1978, the U.S. International Trade Commission received advice from the Department of the Treasury that polyvinyl chloride (referred to in this report as PVC) sheet and film from the Republic of China (Taiwan), with the exception of PVC sheet and film produced by China Gulf Plastics Corp. and Ocean Plastics Co., Ltd., are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). 1/ Accordingly, on January 19, 1978, the Commission instituted investigation No. AA1921-178 under section 201(a) of said act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. By statute, the Commission must render its determination within 3 months of its receipt of advice from Treasury, or in this case by April 12, 1978.

1/ Treasury's letter to the Commission is reproduced in app. A.

Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and in the Commission's New York Office, and by publishing the notice in the Federal Register of January 24, 1978 (43 F.R. 3319). 1/ In accordance with the notice, a public hearing was held on March 2, 1978.

Treasury instituted its investigation of the alleged LTFV sales after receipt of a complaint filed by counsel representing the Plastics Import Action Committee (PIAC). 2/ Treasury's notice of its antidumping proceeding was published in the Federal Register of April 1, 1977 (42 F.R. 17558). 3/ A "Withholding of Appraisement Notice" was published in the Federal Register of October 6, 1977 (42 F.R. 54490). 3/ The determination of sales at less than fair value was made on January 10, 1978, and was published in the Federal Register of January 16, 1978 (43 F.R. 2254). 3/

The Commission has conducted a prior investigation concerning PVC sheet and film. In that investigation, No. AA1921-117/118, "Printed Vinyl from Brazil and Argentina" (July 18, 1973), the Commission determined by a 3 to 0 vote that an industry in the United States was likely to be injured by reason of LTFV imports of printed vinyl from Brazil and Argentina.

The Product

Description and uses

PVC sheet and film 4/ is a clear, translucent, or opaque plastic sheet or film which is produced from thermoplastic PVC resins. The sheet and film which Treasury found to be sold at less than fair value was flexible material produced by the calendering process. 5/ PVC sheet and film can be converted to finished products as it comes off the calender, or it can be laminated

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1/ The Commission's notice of investigation and hearing is reproduced in app. B.

2/ PIAC member companies are as follows: The Goodyear Tire and Rubber Co., Harte and Co., Inc., a subsidiary of Diamond Shamrock Corp.; Tenneco Chemicals, Inc., a subsidiary of Tenneco; Pantasote Co. of New York, Inc.; W. R. Grace & Co., Hatco Plastics Division; Hooker Chemicals and Plastic Corp., Ruco Division.

3/ Treasury's Federal Register notices concerning its investigation of sales at less than fair value are reproduced in app. A.

4/ See app. C for a glossary of this and other technical terms used in this report.

5/ Calendering is a process for producing film or sheet by feeding a heated plastic mass between rolls and squeezing it into film or sheet. The thickness of the processed film or sheet is governed by the gap between the last pair of rolls.

(bonded) to a substrate 1/ such as a textile, and then used to form end products in a supported form. PVC sheet and film are used in the manufacture of such items as shower curtains, window shades, tablecloths, wall coverings, water beds, pond and pool liners, baby bibs, medical supplies, and upholstery for furniture and automobiles. Sheet and film which have been laminated or supported are used almost exclusively in upholstery, wall coverings, and tablecloths, because they can be readily embossed and printed, are easily cleaned, drape well, and are waterproof.

Although flexible PVC sheet and film can be produced by an extrusion process, calendering accounts for the great bulk of U.S. production of sheet and film between 2.5 mils (0.0025 inches) and 25 mils (0.025 inches) in thickness. 2/ Because of the technical limitations of the calendering process, most flexible PVC film under 2.0 mils in gage and sheet over 25 mils in gage is made by the extrusion process.

The limitations of flexible PVC sheet and film produced by the extrusion process are the presence of die marks and other optical imperfections, as well as lack of uniformity in thickness. Flexible, extruded PVC film less than 1 mil in gage is used mainly as clear packaging for fresh meat and produce where die marks are not readily discernible. This market accounts for an estimated 70 to 80 percent of U.S. consumption of flexible, extruded sheet and film. Most sheet of over 25 mils in thickness is used for applications where appearance is unimportant. The principal use for heavy gage, flexible, extruded sheet is in the manufacture of pond and swimming pool liners.

Calenders are massive pieces of equipment because of the large forces required to compress the plastic mass into thin sheets or film (see figures 1 and 2 on the following two pages). They require considerable floor space because of the extensive requirements for auxiliary equipment such as mixers,blenders, wind-up rolls, and temperature control systems. The output of a single calender may vary from 600 pounds to 10,000 pounds of PVC sheet or film per hour, depending on the size of the calender and the dimensions of the sheet or film. Sheet or film made on modern PVC calenders generally ranges from 54 inches to 86 inches or more in width. 3/ While it is possible to support (bond) the flexible PVC sheet or film with a textile or other substrate during the calendering process, it is more typical to perform this operation separately.

PVC resins cannot be fabricated into finished products in their "pure" form because they are hard and brittle. They are also heat sensitive and will decompose if subjected to elevated temperatures. Thus, it is necessary to compound the pure PVC resins with stabilizers and other additives in order to

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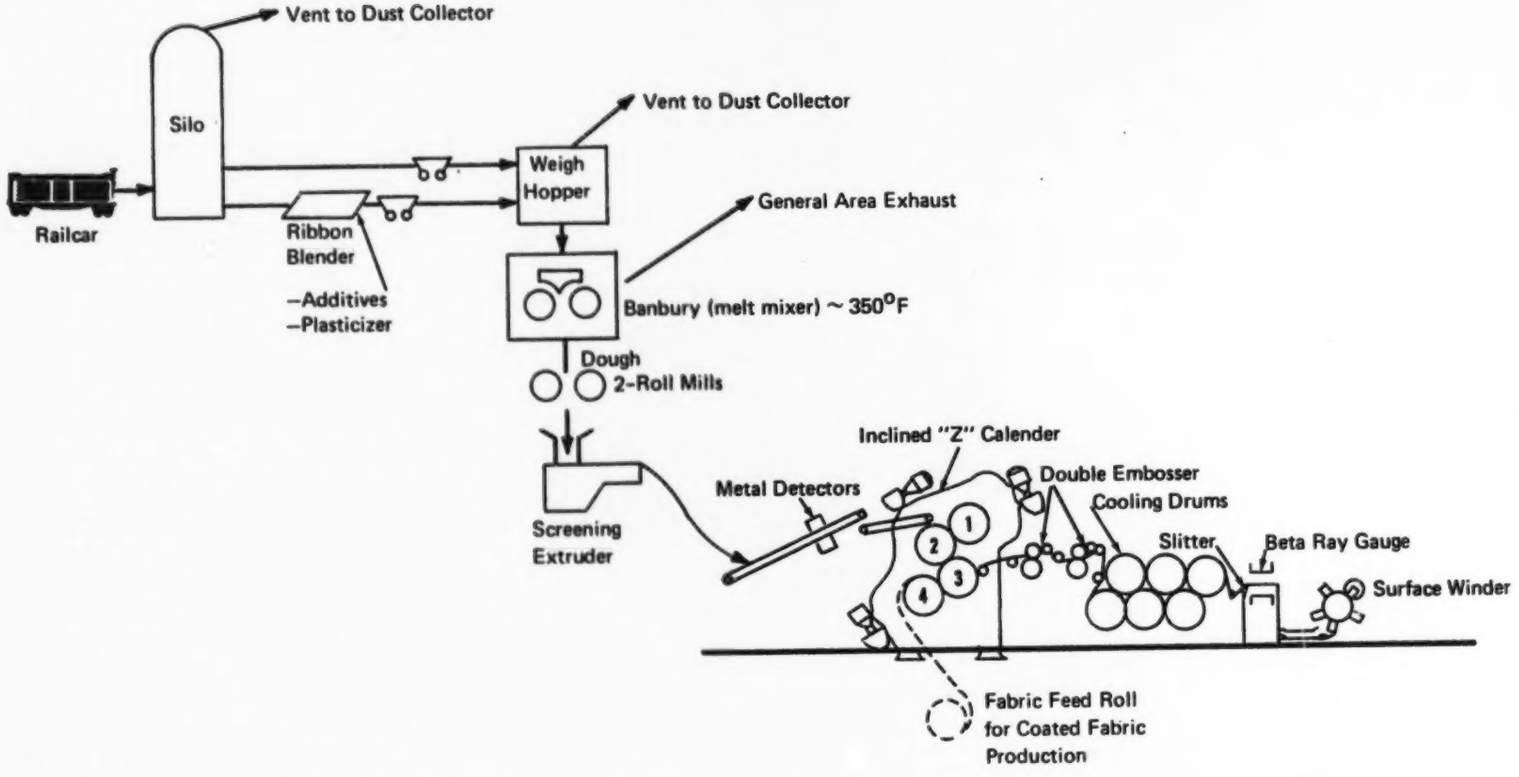
1/ Industry sources report that the substrate typically accounts for about 25 percent of the weight in supported sheet and film.

2/ The thickness range of the sheet and film which Treasury found to be sold at LTFV was at least 2 mils (0.002 inches) but not over 20 mils (0.020 inches).

3/ The widest PVC calender now in use domestically is 108 inches.

Figure 1.--Typical calendering operation



Source: Environmental Protection Agency, Final Report, Vinyl Chloride Monomer Emissions from the Polyvinyl Chloride Processing Industries.

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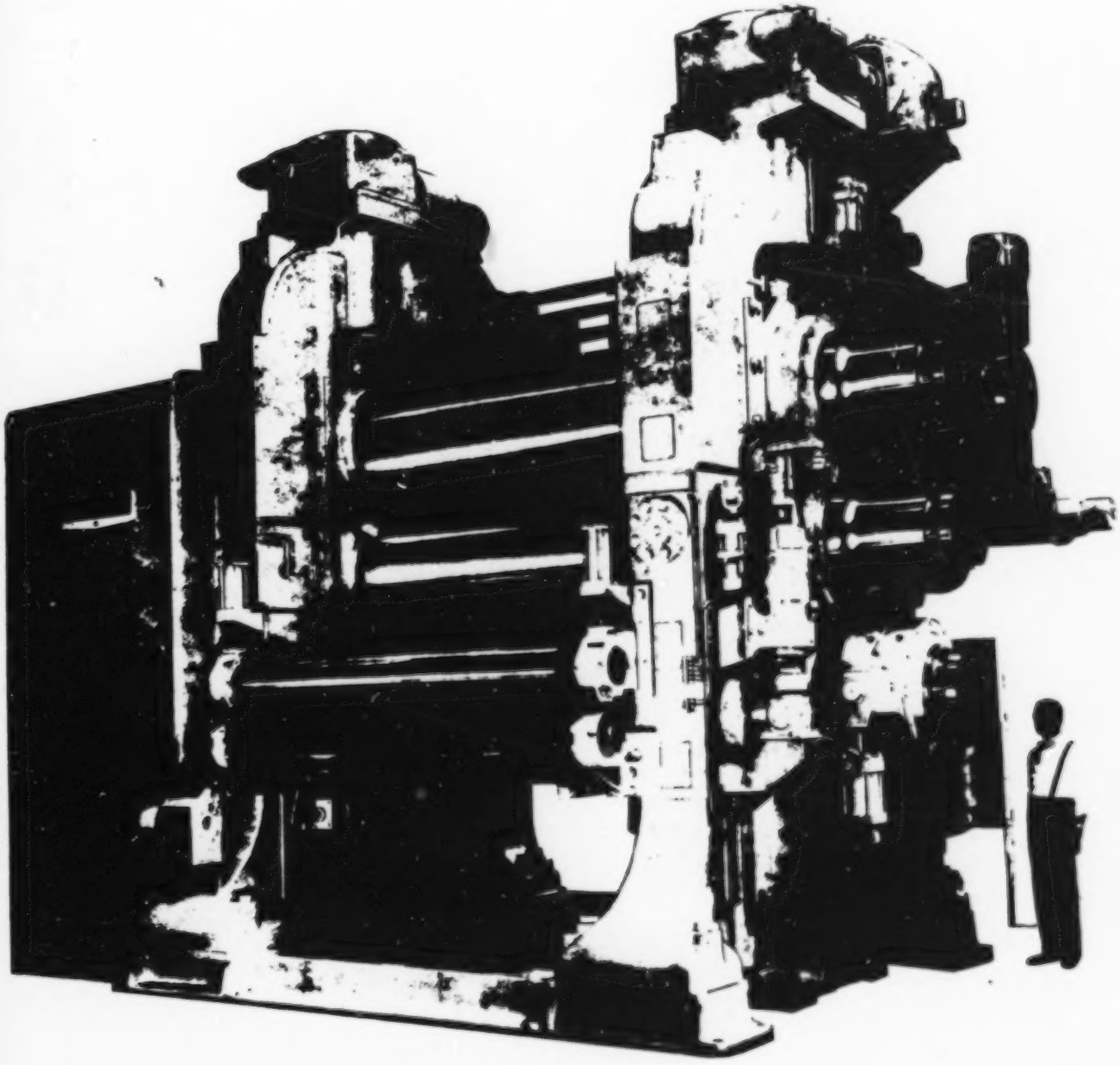
Figure 2.--Four-roll inverted "L" calender (36" x 97")



Courtesy of Farrel Co. Division, USM Corp.

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process them into sheet and film. To produce flexible sheet and film, plasticizers must also be added to the compound. Industry sources estimate that the pure PVC resins comprise about 60 percent, plasticizers 30 percent, and stabilizers 4 percent of the total weight of the typical PVC compound used in calendering operations.

U.S. tariff treatment

Flexible PVC sheet and film are provided for in item 771.42 of the Tariff Schedules of the United States (TSUS). The column 1 (most-favored-nation) rate of duty is 6 percent ad valorem. This rate has been in effect since January 1, 1972. The column 2 rate of duty (applicable to imports from certain Communist-dominated countries) is 25 percent ad valorem.

Flexible PVC sheet and film are on the list of articles eligible for duty-free entry under the Generalized System of Preferences (GSP). Effective January 1, 1976, imports of flexible PVC sheet and film from certain beneficiary developing countries, including the Republic of China (Taiwan), became eligible for duty-free entry.

Nature and Extent of Sales at Less than Fair Value

Treasury's investigation of U.S. imports of PVC sheet and film from the Republic of China covered the 6-month period extending from October 1, 1976, through March 31, 1977. The term "polyvinyl chloride sheet and film" was defined by Treasury to mean unsupported, flexible, calendered sheet, film, and strips over 6 inches in width and over 18 inches in length, and at least 0.002 inches but not over 0.020 inches in thickness. Material meeting this definition has accounted for the great bulk of total Taiwanese exports of flexible PVC sheet and film to the United States.

The Treasury investigation was limited to PVC sheet and film manufactured by Cathay Plastic Industry Co., Nan Ya Plastics Corp., China Gulf Plastics Corp., and Ocean Plastics Co., Ltd. These four companies accounted for more than 90 percent of the Taiwanese exports to the United States during the period of Treasury's investigation.

Treasury made comparisons on approximately 80 percent of the PVC sheet and film sold to the United States by these four manufacturers. Data on each of these firms' sales to the United States during the period of Treasury's investigation are presented below in table 1.

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Table 1.--PVC sheet and film from the Republic of China: U.S. sales, sales examined by the Department of Treasury, sales at margin, range of margins, and weighted average margins, by companies, Oct. 1, 1976-Mar. 31, 1977

Company	U.S. sales	Sales compared	Sales at margin	Margin range	Weighted average margin
	1,000 dollars	1,000 dollars	1,000 dollars	Percent	Percent
Nan Ya	***	***	***	1.6-73.8	4.4
Cathay Plastic	***	***	***	2.1-40.0	10.7
China Gulf	***	***	***	.1-11.5	.22
Ocean Plastics	***	***	***	.9- 1.4	.04
Total	***	***	***	.7-73.8	5.5

Source: U.S. Department of the Treasury file.

In the case of Ocean Plastics, its LTFV sales were considered by Treasury to be de minimis, and Treasury terminated its investigation of that company. In China Gulf's case, the weighted-average margin was considered by Treasury to be minimal. The small size of China Gulf's weighted-average margin together with the receipt of formal price assurances resulted in Treasury discontinuing its investigation with respect to that firm. Because Treasury did not withhold appraisement until October 6, 1977, no special dumping duties are collectible with respect to LTFV sales which occurred during the period of Treasury's investigation.

In determining LTFV margins, Treasury calculated home-market price on the basis of the weighted average, delivered, packed price to unrelated purchasers in Taiwan. The purchase price was calculated by Treasury on the basis of the c.i.f. U.S. port, or f.o.b. foreign port price to the unrelated purchaser, with deductions for ocean freight, insurance, selling commission, and inland freight, as appropriate.

U.S. Producers

There are approximately 32 domestic producers of flexible, calendered PVC sheet and film. These firms have a total of about 120 calenders in place, which are used almost exclusively in the production of flexible PVC sheet and film, including at least 15 units which were idle at the end of 1977. A typical calender is capable of producing approximately 10 million pounds of sheet and/or film per year. Ten of the domestic producers are vertically integrated through the production of PVC resin. These integrated firms operate more than one-half of the total number of flexible PVC calenders in the United States.

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General Tire and Rubber Company has the largest number of calenders producing flexible PVC sheet and film (* * *), W. R. Grace is second with * * * calenders, followed by Harte and Co. with * * *. General Tire and Harte are vertically integrated, while W. R. Grace is nonintegrated. The States with the largest number of PVC calenders are as follows: New Jersey-20 calenders, Ohio-18 calenders, Pennsylvania-15 calenders, Massachusetts-15 calenders, and New York-7 calenders.

Calendered PVC sheet and film comprise only a relatively small portion of the total plastics operations for the large integrated producers. Likewise, calendered PVC sheet and film comprise only a small portion of the total operations of large captive producers such as Ford Motor Company. However, for many of the smaller, nonintegrated producers, calendered PVC sheet and film accounts for a large share of their total sales.

Five U.S. firms discontinued production of calendered PVC sheet and film during the past 6 years. They are as follows:

Firm	Year production was discontinued	Did the firm produce PVC resin	Disposition of equipment
DuPont & Co., Inc	1972	No	Sold to Stauffer
Monsanto Co.	1972-73	Yes	Sold to Tenneco
Whittaker Corp	1974	No	Sold to Plascal Corp.
Union Carbide Corp	1976	Yes	Sold to Tenneco
Atlantic Tubing and Rubber Co.	1977	Yes	No purchaser to date

The two firms which discontinued producing PVC sheet and film during the period in which Taiwanese imports were alleged to be sold at LTFV, advised the Commission why they discontinued production. Union Carbide advised that

* * * * * * Atlantic Tubing and Rubber Company advised the Commission that it discontinued manufacturing PVC sheet and film for the following reasons:

* * * * * * *

Taiwanese Producers

The four firms investigated by Treasury, that export their product to the United States, are the major producers of calendered PVC sheet and film in the Taiwan (table 2). These companies, together with the number of PVC

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calenders operated by each in 1976 and 1977, and their individual capacities for PVC sheet and film during 1976-77, are shown below:

Firm	Capacity		Number of calenders	
	1976	1977	1976	1977
	Million pounds	Million pounds		
Nan Ya	***	***	***	***
Cathay	***	***	***	***
Ocean Plastics	***	***	***	***
China Gulf	***	***	***	***
Total	***	***	***	***

Source: Counsel for the Republic of China's PVC Producers Committee.

Total capacity of these firms is about * * * percent of U.S. producers capacity. In 1976 and 1977 Nan Ya exported * * * percent of its annual production of PVC sheet and film to the United States and Cathay exported * * * percent. Other Taiwanese producers of PVC sheet and film which do not export significant quantities, if any, to the United States include: Formosan Chemical Industrial Corp., Yuen Foong Chemical Industry Co., Tai San Industrial Co., and Fu Chem Ling Plastic Fabricating Co.

The Department of the Treasury's determination of LTFV sales from the Republic of China excluded Ocean Plastics on the grounds of de minimis sales at LTFV. It discontinued the investigation with respect to China Gulf Plastics (a subsidiary of the Gulf Oil Company) on the basis of minimal margins and formal price assurances.

Nan Ya, which is the largest corporation in Taiwan, is also part of an association of 13 corporations with interlocking directorates called Formosa Plastics Group (FPG). Nan Ya is the largest producer of calendered PVC sheet and film in Taiwan, * * *, one of the largest U.S. importers of PVC sheet and film. FPG has started a multinational expansion program which includes a recently completed PVC resin plant in Puerto Rico. FPG is currently planning to build a 3-calender PVC sheet and film plant at an undetermined site in the United States.

The four major Taiwanese producers investigated by Treasury accounted for 87 to 95 percent of total Taiwanese exports of flexible PVC sheet and film to the United States from 1975 to 1977. Of the four companies, Cathay has experienced the fastest growth rate; a 181-percent increase in exports to the United States over the past 3 years. Cathay and Nan Ya have

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increased their total share of Taiwanese exports to the United States from * * * percent in 1973 to * * * percent in 1977.

Table 2.--PVC sheet and film: Taiwanese exports, total and by company, 1973-77

(In thousands of pounds)

	Individual firms exports					Total Taiwanese exports	Percentages of total	
	Nan Ya	Cathay	China Gulf	Ocean Plastics	Total of four companies		Four companies	Nan Ya and Cathay
1973	***	***	1/	1/	2/	13,427	2/	***
1974	***	***	1/	1/	2/	8,640	2/	***
1975	***	***	***	***	12,328	13,808	89	***
1976	***	***	***	***	20,373	23,539	87	***
1977	***	***	***	***	26,725	28,119	95	***

1/ Data not available for 1973-74, with respect to Ocean Plastics and China Gulf.

2/ Data not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and data received from the Importers' legal counsel.

Importers

Approximately 75 firms, most of which are located in the greater New York City metropolitan area, import flexible PVC sheet and film from Taiwan. The principal importers and their Taiwanese suppliers are as follows:

Importer	Supplier
Formoco International Corp., Ltd., New York, N.Y	Cathay
Formosa Plastic Group-USA, Inc., Long Beach, Calif	Nan Ya
Clopay Corp., Cincinnati, Ohio	Nan Ya
Republic Clear-Thru Corp., Brooklyn, N.Y	***

These four companies account for 75-80 percent of total U.S. imports of PVC sheet and film from Taiwan (table 3). As previously noted, Formosa Plastic Group-USA is a * * *, while Formoco International is independently

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owned. These two firms import PVC sheet and film exclusively for resale in the United States. According to industry sources, Formoco International has * * * product in the United States. Clopay Corp. does not sell any of its imports of PVC sheet and film, but rather consumes all of them in the manufacture of window shades. Republic Clear-Thru consumes part of its imports in manufacturing packaging materials, and it sells the remainder on the open market. Many of the smaller importers are manufacturers of finished goods that require PVC sheet and film as an essential raw material.

Table 3.--U.S. imports of PVC sheet and film from Taiwan: By importing firms and totals, 1973-77

Year	Formoco	FPG-USA	Clopay	Republic Clear-Thru	Total of the 4 companies	Total U.S. imports from Taiwan	Ratio of the four importers to total U.S. imports from Taiwan
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent
1973	***	***	***	***	***	13,427	***
1974	***	***	***	***	8,123	8,640	94
1975	***	***	***	***	11,837	13,808	86
1976	***	***	***	***	18,825	23,539	80
1977	***	***	***	***	***	28,119	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. Market

Prior to 1975, there was a strong demand for PVC sheet and film in the United States and U.S. producers generally operated their facilities at satisfactory levels even during cyclical downturns in the economy. In 1973-74, when demand for PVC sheet and film was at record levels, U.S. producers experienced a shortage of PVC resins and plasticizers attributable in part to the oil embargo and in part to a shortage of vinyl chloride monomer. Demand for PVC sheet and film dropped sharply during the economic recession of 1975 when major markets, such as household furnishings, furniture, and automobiles were depressed. Although demand improved in 1976-77, it remained below the record high levels of 1973-74. Because the PVC sheet and film industry is now largely a mature industry, in the sense that rate of substitution of its products for other materials has slackened, the industry has become more sensitive to cyclical changes in the economy.

The purchasers of flexible calendered PVC sheet and film can be divided into two principal classes: "converters" that laminate, print or emboss the sheet and film; and "fabricators" that produce finished products. Some of the

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largest purchasers are both converters and fabricators. Industry sources advise that purchasers who produce shower curtains, window shades, tablecloths, and other high volume items require sheet and film of a consistent quality, but not necessarily the highest quality. These firms frequently purchase their sheet and film requirements primarily on a price basis. However, producers of electrical tape, medical supplies, and other articles requiring consistently high quality generally base their purchasing decisions on the quality of the material and the technical service provided by the supplier.

The PIAC companies contend that imports from Taiwan have obtained a dominant position in supplying the high volume markets where price rather than quality or service is the determining factor. Several purchasers of PVC film indicated to the Commission that they have encountered difficulties in securing low cost 4-yard yield (2.8 mil gage) PVC film from domestic sources. 1/

Consideration of Injury or Likelihood Thereof

The Commission obtained questionnaires from 20 domestic producers of flexible calendered PVC sheet and film, with 89 calenders in place. It is estimated that these firms accounted for approximately 90 percent of domestic capacity, production, shipment, and inventories. Unless otherwise noted, figures cited in this report as describing the entire industry are those derived from the questionnaire returns.

U.S. capacity, U.S. production, and capacity utilization

U.S. capacity to produce flexible, calendered PVC sheet and film increased irregularly from 1,057 million pounds in 1973 to 1,144 million pounds in 1977. Production, which was at record high levels in 1973-74, dropped sharply in 1975 and then increased in 1976-77, but in the latter year it remained approximately 7 percent below the 1974 level. Capacity utilization peaked at about 73 percent in 1973, dropped sharply to 50 percent in 1975, and then increased to about 63 percent in 1977. Capacity utilization for supported PVC sheet and film increased at a more rapid rate from the 1975 recession than capacity utilization for the unsupported product. This increase generally reflects the rapid resurgence of sales of new passenger automobiles from 6.7 million cars in 1975 to 9.2 million cars in 1977 (37 percent gain). U.S. capacity, U.S. production, and capacity utilization for flexible, calendered PVC sheet and film for 1973-77 are set forth in table 4 below.

1/ * * *

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Table 4.--Flexible, calendered PVC sheet and film: U.S. capacity, production, and capacity utilization, by types, 1973-77

Year and type	Capacity 1/	Production	Capacity utilization
	1,000 pounds	1,000 pounds	Percent
1973:			
Unsupported	648,440	471,326	72.7
Supported	408,880	299,992	73.4
Total	1,057,320	771,318	73.0
1974:			
Unsupported	667,190	487,979	73.1
Supported	416.480	269,683	64.8
Total	1,083,670	757,662	69.9
1975:			
Unsupported	689,820	328,281	47.6
Supported	417,690	231,144	55.3
Total	1,107,510	559,425	50.5
1976:			
Unsupported	649,630	395,506	60.9
Supported	417,780	295,158	70.6
Total	1,067,410	690,664	64.7
1977:			
Unsupported	721,170	437,183	60.6
Supported	423,310	278,952	65.9
Total	1,144,480	716,135	62.6

1/ Capacity data are based on operating production facilities 3 shifts per day, 7 days per week.

Source: Compiled from data submitted by 20 producers in response to questionnaires of the U.S. International Trade Commission.

U.S. consumption, producers' shipments, and foreign trade

U.S. consumption of unsupported, flexible, calendered PVC sheet and film, the product which was the subject of the PIAC antidumping complaint, declined from 509 million pounds in 1973, to 361 million pounds in 1975, and then increased to 499 million pounds in 1977, 2 percent below the 1973 level (table 5). U.S. producers' shipments declined from 453 million pounds in 1973 to 311 million pounds in 1975, and then increased to 412 million pounds in 1977. The decline in shipments in 1974 was a reflection of the raw materials shortage (resin, plasticizers, and so forth), which resulted in industry-wide allocations of these materials in that year. The abrupt decline in 1975 shipments was caused by both a decline in final demand and a condition of excessive inventories among purchasers who in 1973-74 had

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stockpiled in anticipation of continued shortages. Although U.S. producers' shipments recovered in 1976-77, they were still 9-percent lower in 1977 than they were in 1973. The PIAC companies' share of domestic shipments increased irregularly from 52 percent in 1973 to 58 percent in 1977.

Table 5.--Unsupported, flexible, calendered PVC sheet and film: U.S. producers' shipments, exports, imports, and apparent consumption, 1973-77

Year	Producers' shipments	Exports	Imports 1/	Apparent consumption	Ratio (percent) of imports to consumption 2/
	Quantity (1,000 pounds)				
1973	452,508	8,018	64,477	508,967	12.7
1974	434,940	7,758	58,408	485,590	12.0
1975	310,576	5,021	55,034	360,589	15.3
1976	374,788	5,282	83,456	452,962	18.4
1977	411,950	4,406	2/ 91,687	499,231	18.4
	Value (1,000 dollars)				
1973	190,269	4,108	22,735	208,896	10.9
1974	248,052	4,511	33,362	276,903	12.0
1975	189,480	3,329	28,377	214,528	13.2
1976	237,231	3,552	41,785	275,462	15.2
1977	269,373	3,126	2/ 51,880	318,127	16.3

1/ Import data are for all flexible PVC sheet and film, including the extruded product as well as supported sheet and film.
2/ Preliminary.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

U.S. producers' sales of flexible, extruded PVC sheet and film, which generally do not compete with calendered sheet and film in the 2-20 gages (which Treasury found to be sold at LTFV), increased from 256 million pounds in 1973 to 322 million pounds in 1977 (table 6).

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Table 6.--Flexible, extruded PVC sheet and film: U.S. producers' domestic sales, 1973-77

Year	Domestic sales 1/
	1,000 pounds
1973	256,331
1974	275,655
1975	237,038
1976	289,407
1977 2/	322,482

1/ Sales data were adjusted from a pure resin basis to a compound basis by assuming that PVC resins accounted on the average for 68 percent of the formulation. Sales were reduced by 15 percent to offset the inclusion of rigid film and sheet in the data.

2/ Preliminary data.

Source: Compiled from Modern Plastics annual, January edition, as noted.

Exports 1/ of unsupported, flexible, calendered PVC sheet and film, as reported by U.S. producers, declined from 8.0 million pounds in 1973 to 4.4 million pounds in 1977. Exports never accounted for more than 2 percent of U.S. producers' total shipments in any year during 1973-77.

U.S. imports of all flexible PVC sheet and film (calendered and extruded) declined from 64.5 million pounds in 1973 to 55.0 million pounds in 1975, and then increased to 91.7 million pounds in 1977 (table 5). In 1977, Taiwan, Japan, and West Germany each supplied about 31 percent of total U.S. imports of flexible PVC sheet and film (table 7).

Imports from Taiwan declined from 13.4 million pounds in 1973 to 8.6 million pounds in 1974. In 1975, they rebounded to their 1973 level, and by 1977 they had doubled to a total of 28.1 million pounds. Virtually all of the imports of flexible PVC sheet and film from Taiwan are produced by the calendering process and most of these imports fall within the thickness range (2 mils to 20 mils) of the material which Treasury determined was being sold at LTFV.

The average unit value of imports of flexible PVC sheet and film from Taiwan in 1977 was 39 cents per pound as compared with an average of 55 cents for the imports from Japan and 72 cents for the imports from West Germany. The differences between the unit values of the imports from the three countries are due in large part to product differences. Imports from

1/ Of the 20 responding U.S. producers only 12 reported exports.

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West Germany consist primarily of extruded heavy gage sheet. Limited quantities of a very high quality double polished clear sheet also are imported from West Germany. Imports from Japan are primarily of calendered sheet and film including substantial quantities of specialty items, such as double polished clear sheet and film. Exchange rates also affect the prices of imports from the three countries. The Taiwanese dollar is pegged to the value of the U.S. dollar, whereas the Japanese yen and the German mark have increased sharply in value, in relation to the dollar in recent months. Even in the absence of producer price changes, therefore, the Taiwanese product likely has gained a further U.S. dollar price advantage over PVC sheet and film from countries like Japan and West Germany whose currencies have appreciated.

Table 7.--Flexible PVC sheet and film: U.S. imports for consumption, by principal sources, 1973-77

Source	1973	1974	1975	1976	1977 1/
	Quantity (1,000 pounds)				
Republic of China	13,427	8,640	13,808	23,539	28,119
Japan	28,235	22,664	26,598	30,804	28,394
West Germany	15,935	20,165	11,107	22,464	27,569
Other countries	6,880	6,939	3,521	6,649	7,605
Total	64,477	58,408	55,034	83,456	91,687
	Value (1,000 dollars)				
Republic of China	3,280	4,394	5,358	8,626	10,985
Japan	8,933	12,837	12,632	15,188	15,528
West Germany	7,658	11,925	7,378	13,493	19,926
Other countries	2,864	4,206	3,009	4,478	5,441
Total	22,735	33,362	28,377	41,785	51,880
	Unit value (cents per pound)				
Republic of China	24	51	39	37	39
Japan	32	57	47	49	55
West Germany	48	59	66	60	72
Other countries	42	61	85	67	72
Total	35	57	52	50	57

1/ Preliminary.

Source: Compiled from the official statistics of the U.S. Department of Commerce.

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Inventories

During 1973-77, U.S. producers' yearend inventories of unsupported, flexible, calendered PVC sheet and film ranged from a high of 39.8 million pounds in 1974 to a low of 26.9 million pounds in 1976 (table 8). Importers' inventories of such sheet and film imported from Taiwan ranged from a low of * * * pounds in 1974 to a high of * * * million pounds in 1976. Generally, producers' stocks in 1976-77 were well below those held in 1973-75, whereas importers' inventories of the Taiwanese product were higher in the later than they were in the earlier period. Stocks on hand of Taiwanese PVC sheet and film consistently have been only a small fraction of the size of domestic stocks over the years.

Table 8.--Unsupported, flexible, calendered PVC sheet and film: U.S. producers' yearend inventories and importers' yearend inventories of imports from Taiwan, 1973-77

(In thousands of pounds)

Type	As of Dec. 31--				
	1973	1974	1975	1976	1977
Producers'	30,928	39,813	32,252	26,897	27,823
Importers'	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Employment

Of the 17 firms suppying data on employment levels, 16 furnished additional data on person-hours. The average number of total employees of these 17 firms declined irregularly from 10,024 employees in 1973 to 8,422 employees in 1977, or by 16 percent as shown in table 9. The average number of production and related workers engaged in manufacturing all products at these establishments declined irregularly from 7,423 in 1973 to 6,132 in 1977, or by 17.4 percent. Workers engaged solely in the manufacture of calendered PVC sheet and film declined from 3,090 in 1973 to 2,734 in 1975. However, this downward trend was reversed in 1976, and by 1977, the number of employees engaged in calendering operations had increased to 2,780, which still was below 1973 and 1974 levels. The total number of person-hours worked by production and related workers in the production of flexible, calendered PVC sheet and film paralleled the trend in employment. Total person-hours worked declined from a high of 6.7 million in 1973 to a low of 5.4 million in 1975, and then climbed to 5.6 million in 1976 and 1977 (table 10).

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Table 9.--Average number of employees in U.S. facilities producing flexible, calendered PVC sheet and film, and production and related workers engaged in the manufacture of all products and flexible, calendered PVC sheet and film, 1973-77

(Number of workers)

Item	1973	1974	1975	1976	1977	Decrease in employment, 1977 over 1973
All persons	10,024	9,699	8,643	8,955	8,422	1,602
Production and related workers engaged in the manufacture of--						
All products of the establishment(s)	7,423	7,096	6,317	6,542	6,132	1,291
Flexible, calendered PVC sheet and film	3,090	2,976	2,734	2,779	2,780	310

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 10.--Person-hours worked in establishments producing flexible, calendered PVC sheet and film, 1973-77

(In thousands of person-hours)

Item	1973	1974	1975	1976	1977
Production and related workers engaged in the production of--					
All products of the establishment(s)	15,886	15,023	12,906	13,563	12,878
Flexible, calendered PVC sheet and film	6,663	6,246	5,390	5,586	5,587

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Profit-and-loss experience of domestic producers

Profit-and-loss data were received from 14 companies on their PVC calendering operations during 1974-77. These firms accounted for approximately 75 percent of total domestic shipments of unsupported, flexible, calendered PVC sheet and film in 1977.

The aggregate net operating profit for PVC calendering operations of the 14 domestic producers plummeted from 42.4 million dollars in 1974 to 16.2 million dollars in 1975, or by 62 percent. Thereafter the net operating profit increased to 29.6 million dollars in 1976 but fell sharply in 1977 to 16.9 million dollars, or by 43 percent (tables 11 and 12). The ratio of net operating profit to net sales declined from 14.4 percent in 1974 to 6.5 percent in 1975, increased to 9.5 percent in 1976, and then fell to 5.2 percent in 1977.

Table 11.--Aggregate profit-and-loss experience of 14 producers of unsupported, flexible, calendered PVC sheet and film on their flexible PVC calendering operations, 1974-77

Year	Net sales	Cost of goods sold	Gross profit	Administrative and selling expense	Net operating profit before taxes	Ratio of net operating profit to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1974	295,335	228,496	65,298	23,162	42,428	14.4
1975	246,936	205,979	39,322	23,372	16,173	6.5
1976	309,797	255,614	52,202	22,934	29,583	9.5
1977	325,448	281,705	42,021	25,247	16,878	5.2

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note: One small producer, * * *, provided data on net sales and net profits only; therefore, data reported above do not total across.

The PIAC companies (The Goodyear Tire and Rubber Co.; Harte and Co., Inc.,; Tenneco Chemicals, Inc.; Pantasote Co. of New York, Inc.,; W. R. Grace & Co., Hatco Plastics Division; and Hooker Chemicals and Plastic Corp., Ruco Division) followed the overall downward industry trend for 1974-75, as net operating profit declined 68 percent from 27.8 million dollars to 8.8 million dollars. However, these companies did not follow the overall industry upswing in 1976, as net operating profit only slightly increased to 9.4 million dollars. Similarly in 1977, the PIAC companies again did not follow the overall industry, as net operating profit continued its upward movement to 11.3 million dollars. This is in strong contrast to the overall industry decline of 43 percent in 1977, as shown in table 12.

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Table 12.--Profit-and-loss experience of the PIAC 1/ companies, and of other domestic producers 2/ on their flexible, calendered PVC sheet and film operations, 3/ 1974-77

Year and group	Net sales	Cost of goods sold	Gross profit	Administrative and selling expenses	Net operating profit before taxes	Ratio of net operating profit to net sales before taxes
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1974:						
PIAC companies	160,088	118,913	41,175	13,393	27,782	17.4
Other companies	135,247	109,583	24,123	9,769	14,646	10.8
Total or average	295,335	228,496	65,298	23,162	42,428	14.4
1975:						
PIAC companies	124,802	103,162	21,640	12,829	8,811	7.1
Other companies	122,134	102,817	17,682	10,543	7,362	6.0
Total or average	246,936	205,979	39,322	23,372	16,173	6.5
1976:						
PIAC companies	161,662	138,930	22,732	13,308	9,424	5.8
Other companies	148,135	16,684	29,470	9,626	20,159	4/ 13.6
Total or average	309,797	255,614	52,202	22,934	29,583	9.5
1977:						
PIAC companies	179,464	153,813	25,651	14,384	11,267	6.3
Other companies	145,984	127,892	16,370	10,863	5,611	3.8
Total or average	325,448	281,705	42,021	25,247	16,878	5.2

1/ The Plastics Import Action Committee.

2/ The aggregated data for 8 additional producers.

3/ Includes profit-and-loss data on total flexible PVC calendering operations.

4/ Data for firms other than the PIAC companies are greatly inflated by * * * which realized a net operating profit of * * * million in 1976, for a * * * percent ratio of net operating profit to net sales. If * * * data are excluded from the calculations, the ratio for the other producers becomes * * * percent and the overall average drops to * * * percent.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note: One small producer, * * *, provided data on net sales and net profits only; therefore, data reported above for other companies do not total across.

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The ratio of net operating profit to net sales for the PIAC companies declined from 17.4 percent in 1974 to 7.1 percent in 1975, or by 10.3 percentage points. PIAC's ratio continued its downward trend in 1976, as it fell to 5.8 percent. However, in 1977, PIAC's ratio increased slightly to 6.3 percent. This situation is in contrast to that of the overall industry, which experienced an increase in the ratio of net operating profit to net sales in 1976 and then a sharp drop in 1977.

On an individual basis, the net operating profits and ratios of net operating profit to net sales varied substantially among the six PIAC companies, 1/ as shown in table 13 below.

Table 13.--PIAC companies, net operating profit or (loss) and ratio of net operating profit or (loss) to net sales before taxes, 1974-77

Company	1974		1975		1976		1977	
	Net operating profit	Net operating profit to net sales	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	Percent	1,000 dollars	Percent	1,000 dollars	Percent	1,000 dollars	Percent
Goodyear--	***	***	***	***	***	***	***	***
Harte-----	***	***	***	***	***	***	***	***
Grace (Hatco)--	***	***	***	***	***	***	***	***
Hooker----	***	***	***	***	***	***	***	***
Pantasote-	***	***	***	***	***	***	***	***
Tenneco---	***	***	***	***	***	***	***	***
Total--	27,782	17.4	8,811	7.1	9,424	5.8	11,267	6.3

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * * * * * *

1/ See table 14 for profit and loss data of all 14 firms which responded to the Commission's Questionnaire.

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Table 14.--Profit-and-loss experience of 14 firms on their PVC sheet and film calendering operations, by firms, 1974-77

Year and company	Net sales	Cost of goods sold	Gross profit	Administrative and selling expense	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1974:						
Vernon Plastics	***	***	***	***	***	***
Hooker	***	***	***	***	***	***
Grace	***	***	***	***	***	***
Pantasote	***	***	***	***	***	***
Goodyear	***	***	***	***	***	***
Harte	***	***	***	***	***	***
Tenneco	***	***	***	***	***	***
Chrysler	***	***	***	***	***	***
Ross and Roberts	***	***	***	***	***	***
Firestone	***	***	***	***	***	***
Maclin	***	***	***	***	***	***
B.F. Goodrich	***	***	***	***	***	***
Borden	***	***	***	***	***	***
Union Carbide	***	***	***	***	***	***
Total	295,335	228,496	65,298	23,162	42,428	14.4

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Table 14.--Profit-and-loss experence of 14 firms on their PVC sheet and film calendering operations, by firms, 1974-77--Continued

Year and company	Net sales	Cost of goods sold	Gross profit	Administrative and selling expense	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1975:						
Vernon Plastics	***	***	***	***	***	***
Hooker	***	***	***	***	***	***
Grace	***	***	***	***	***	***
Pantasote	***	***	***	***	***	***
Goodyear	***	***	***	***	***	***
Barte	***	***	***	***	***	***
Tenneco	***	***	***	***	***	***
Chrysler	***	***	***	***	***	***
Ross and Roberts	***	***	***	***	***	***
Firestone	***	***	***	***	***	***
Maclin	***	***	***	***	***	***
B.F. Goodrich	***	***	***	***	***	***
Borden	***	***	***	***	***	***
Union Carbide	***	***	***	***	***	***
Total	246,936	205,979	39,322	23,372	16,173	6.5

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Table 14.--Profit-and-loss experience of 14 firms on their PVC sheet and film calendering operations, by firms, 1974-77--Continued

Year and company	Net sales	Cost of goods sold	Gross profit	Administrative and selling expense	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1976:						
Vernon Plastics	***	***	***	***	***	***
Hooker	***	***	***	***	***	***
Grace	***	***	***	***	***	***
Pantasote	***	***	***	***	***	***
Goodyear	***	***	***	***	***	***
Harte	***	***	***	***	***	***
Tenneco	***	***	***	***	***	***
Chrysler	***	***	***	***	***	***
Ross and Roberts	***	***	***	***	***	***
Firestone	***	***	***	***	***	***
Maclin	***	***	***	***	***	***
B.F. Goodrich	***	***	***	***	***	***
Borden	***	***	***	***	***	***
Union Carbide F.N. 1/	1/	1/	1/	1/	1/	1/
Total	309,797	255,614	52,202	22,934	29,583	9.5

See footnote at end of table.

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Table 14.--Profit-and-loss experience of 14 firms on their PVC sheet and film calendering operations, by firms, 1974-77--Continued

Year and company	Net sales	Cost of goods sold	Gross profit	Administrative and selling expense	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1977:						
Vernon Plastics	***	***	***	***	***	***
Hooker	***	***	***	***	***	***
Grace	***	***	***	***	***	***
Pantasote	***	***	***	***	***	***
Goodyear	***	***	***	***	***	***
Harte	***	***	***	***	***	***
Tenneco	***	***	***	***	***	***
Chrysler	***	***	***	***	***	***
Ross and Roberts	***	***	***	***	***	***
Firestone	***	***	***	***	***	***
Maclin	***	***	***	***	***	***
B.F. Goodrich	***	***	***	***	***	***
Borden	***	***	***	***	***	***
Union Carbide 1/	1/	1/	1/	1/	1/	1/
Total	325,448	281,705	42,021	25,247	16,878	5.2

1/ Ceased operation.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Both Hooker and Pantasote's net operating profits and ratios of net operating profits to net sales, * * * Tenneco * * * each year during 1974-77.

By comparison, Standard and Poors 1/ reported that the composite industry profit margins, which are representative of the overall chemical industry, ranged from 19.0 percent to 19.9 percent during 1974-76, and amounted to 19.2 percent in 1976. Data are not available for 1977. For all industrials, the profit margins drifted down from 15.8 percent in 1973 to 14.4 percent during 1975-76.

Consideration of the Causal Relationship Between LTFV Imports and the Alleged Injury

Market penetration of LTFV imports

The Department of the Treasury excluded PVC sheet and film produced in Taiwan by Ocean Plastics and China Gulf from its determination of sales at LTFV. However, as indicated in table 15 below, the bulk of the Taiwanese imports have been supplied by firms which were found to be selling at LTFV.

Table 15.--PVC sheet and film: Taiwanese exports to the United States of firms selling at fair value, at LTFV, and total, 1975-77

Year	Imports of firms selling at fair value	Imports of 1/ firms selling at LTFV	Total Taiwanese exports to the United States	Ratio of LTFV exports to total Taiwanese exports to the United States
	1,000 pounds	1,000 pounds	1,000 pounds	Percent
1975	***	***	13,808	***
1976	***	***	23,539	***
1977	***	***	28,119	***

1/ Includes PVC sheet and film imports from Taiwan produced by Nan Ya, Cathay, and other minor Taiwanese producers.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and data received from the importer's legal counsel.

1/ Industry Surveys, Chemicals, Basic Analyses (section 2), October 13, 1977.

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Imports of PVC sheet and film from firms found to be selling at LTFV increased rapidly from * * * million pounds in 1975 to * * * million pounds in 1976, and then increased again to * * * million pounds in 1977. Exports to the United States of the two principal suppliers (Cathay and Nan Ya) of the LTFV imports during 1973-77 are as follows:

Year	Cathay	Nan Ya
	1,000 pounds	1,000 pounds
1973	***	***
1974	***	***
1975	***	***
1976	***	***
1977	***	***

The ratio of imports from firms selling at LTFV to apparent U.S. consumption of unsupported PVC sheet and film increased from * * * percent in 1975 to * * * percent in 1976, and to * * * percent in 1977. The ratio of these imports to apparent U.S. consumption of supported and unsupported PVC sheet and film combined followed a similar trend, increasing from * * * percent in 1975 to * * * percent in 1976, and to * * * percent in 1977.

Lost sales

Seven domestic producers (* * *) supplied the Commission with a list of 35 firms to which they allegedly lost sales of PVC sheet and film totaling 31 million poundsto LTFV imports from Taiwan. Eight purchasing firms were listed by more than one domestic producer as accounting for lost sales. The Commission contacted 24 of the purchasing firms, which account for 90 percent (27.9 million pounds) of the total alleged lost sales, but actual confirmation of lost sales emerged from only 2 of these contacts. Details of the two cases of lost sales are as follows:

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Purchasing company	Dates of lost sale	alleged lost sale	Actual lost sale	Taiwanese source
		Pounds	Pounds	
* * *----------	1977	500,000	172,000	***
* * *----------	1976-77	250,000	240,000	***
Total----------		750,000	412,000	

In two instances (claimed by two companies as a total of 8.5 million pounds in lost sales) the purchasers bought Taiwanese PVC sheet and film from China Gulf, a company which Treasury excluded from its determination of sales at LTFV.

In most cases, purchasers indicated that they switched from one domestic producer to another, or they decided to spread their purchases of PVC sheet and film among several domestic producers. A number of purchasers could not compete with imported finished articles from Taiwan and became importers of the finished product rather than manufacturers. These firms discontinued purchasing PVC film and sheet from all sources. Furthermore, a few purchasers of double polish clear PVC sheet and film shifted from domestic suppliers to imports from Japan. These switches were attributed to the superior quality of the higher priced Japanese product.

Prices-PVC resin

PVC resin accounts for about one-half of the price of the compounded formulation used to produce PVC sheet and film. As indicated in table 16, the unit costs of PVC resin have increased since 1975. The unit costs of PVC resin purchased by arms-length transactions increased by 10 percent from 1975 to 1977. The unit costs of PVC resin obtained by intracompany transfer increased by 16 percent. Of the 17 firms responding to this section of the Commission's questionnaires, 7 reported intracompany transfers, while 10 obtained their resin requirements by arms-length transactions.

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Table 16.--Cost of PVC resin to domestic producers of PVC sheet and film, by type of purchase, and by quarters, 1975-77

(In cents per pound)

Year and quarter	Type of purchase	
	Arms-length purchase	Intracompany transfer
1975:		
January-March	23.7	21.5
April-June	21.4	20.3
July-September	21.2	20.4
October-December	21.6	20.5
Annual average	22.0	20.7
1976:		
January-March	22.6	22.3
April-June	23.4	22.6
July-September	24.2	23.4
October-December	24.1	22.9
Annual average	23.6	22.8
1977:		
January-March	23.3	23.1
April-June	23.9	23.9
July-September	24.9	24.6
October-December	24.6	24.3
Annual average	24.2	24.0

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Firms which produce both PVC resin and PVC sheet and film have had a price advantage over those firms that purchase PVC resin at arms length. This advantage is dissipating, however, as the difference between costs of arms length and intracompany purchases has declined from 1.3 cents per pound in 1975 to 0.2 cents per pound in 1977.

Prices of unsupported, flexible, calendered PVC sheet and film

From 1975 to 1977, the weighted average unit values of all domestic shipments of unsupported, flexible, calendered PVC sheet and film increased by 7 percent. During the same period, the weighted average unit values of imports from firms found to be selling at LTFV increased by only 1.4 percent. Furthermore, imports from the LTFV suppliers averaged 19 to 22 cents per pound less than the domestic product during 1975-77, as shown in the tabulation below (in cents per pound):

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Year	Weighted average unit value	
	Domestic shipments	Imports from LTFV suppliers
1975	61.0	***
1976	63.3	***
1977	65.4	***

According to industry sources, the LTFV imports were concentrated in general purpose films ranging from 3.0 to 3.9 mil gage and 4.0 to 5.9 mil gage. PVC films in these gages usually are used to manufacture wall coverings, table coverings, shower curtains, and window shades. Domestic producers' prices for PVC films in the 3.0 to 3.9 mil gages increased irregularly from 1975 to 1977, while prices for the imported products increased slightly from the third quarter of 1975 through the third quarter of 1977 (table 17). In the last quarter of 1977, however, the weighted average price for the imported product dropped from * * * cents per pound to * * * cents per pound. Domestic prices also dropped in the last quarter of 1977, from 64.3 cents per pound to 60 cents per pound. During the entire 1975-77 period, prices of the imported products were approximately * * * to * * * cents per pound below those of the domestic products. Prices of both domestically produced and imported PVC films in the 4.0 to 5.9 mil gages followed the same trend in 1975-77 as that reported for the 3.0 to 3.9 gage materials, as shown in table 18.

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Table 17.--Unsupported, flexible, calendered PVC sheet and film 3.0 to 3.9 mil gage: Net f.o.b. selling prices 1/ received by U.S. producers and importers of Taiwanese PVC sheet and film, other than that produced by Ocean Plastics and China Gulf, by quarters, 1975-77

Period	Producers' prices		Importers' prices		Producers' price minus importers' price	Ratio of importers' prices to producers' prices
	Lowest range	Weighted average	Lowest range	Weighted average		
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	
1975:						
Jan.-Mar-----	54-62	57.61	2/	***	***	***
Apr.-June----	54-62	57.23	2/	***	***	***
July-Sept----	54-62	56.78	2/	***	***	***
Oct.-Dec-----	47-62	56.24	2/	***	***	***
1976:						
Jan.-Mar-----	47-60	58.28	2/	***	***	***
Apr.-June----	48-60	56.44	2/	***	***	***
July-Sept----	51-60	58.42	***	***	***	***
Oct.-Dec-----	48-60	58.10	***	***	***	***
1977:						
Jan.-Mar-----	43-58	61.24	***	***	***	***
Apr.-June----	46-58	58.88	***	***	***	***
July-Sept----	53-61	64.32	***	***	***	***
Oct.-Dec-----	48-66	59.99	2/	***	***	***

1/ All prices are reported prices received for the largest shipment each quarter to each company's 3 largest customers.
2/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Figure 3.--Unsupported, flexible, calendered PVC film 3.0 to 3.9 mil gage: Net f.o.b. selling prices received by U.S. producers and importers of Taiwanese PVC sheet and film, other than that produced by Ocean Plastics and China Gulf, by quarters, 1975-77.

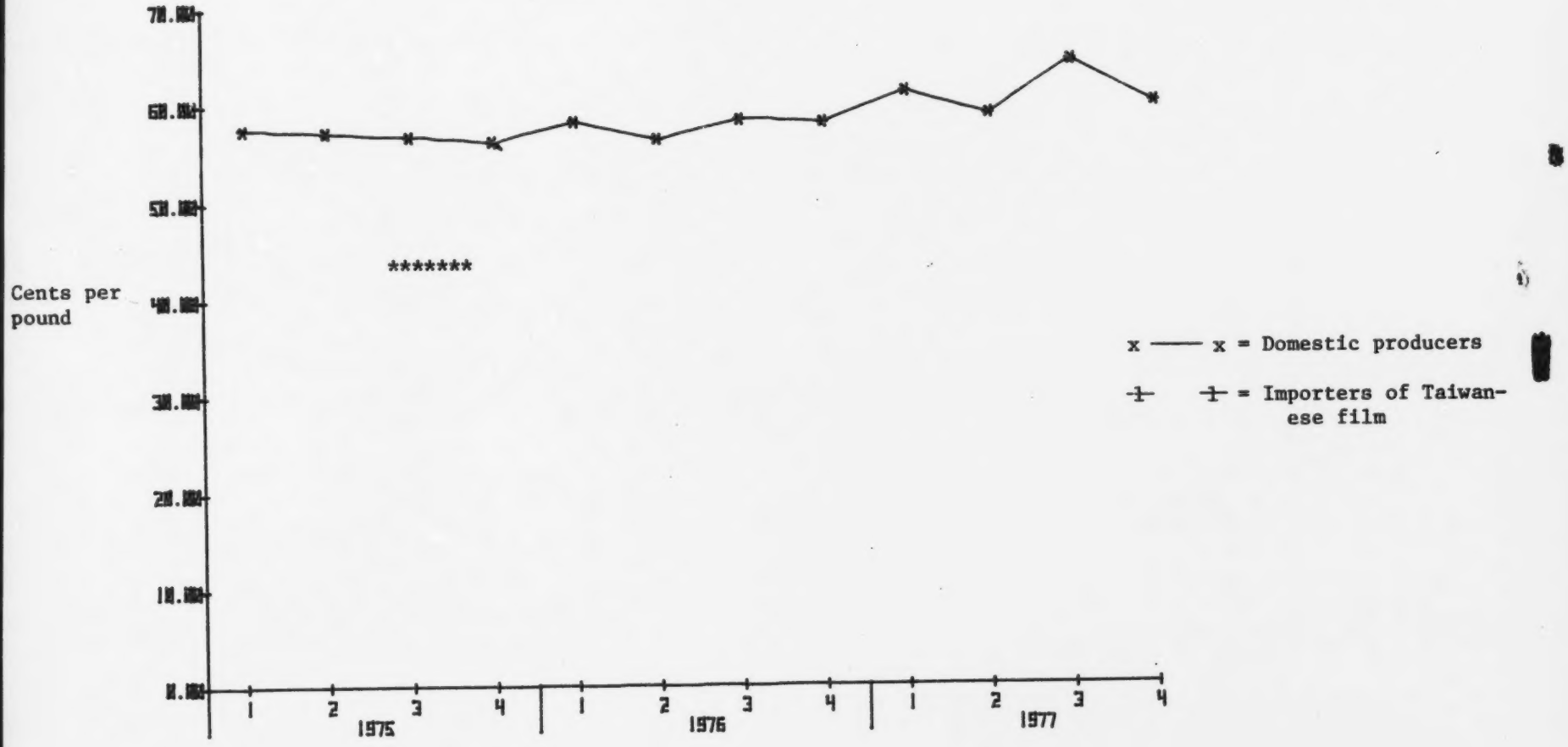

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Table 18.--Unsupported, flexible, calendered PVC sheet and film 4.0 to 5.9 mil gage: Net f.o.b. selling prices 1/ received by U.S. producers and importers of Taiwanese PVC sheet and film, other than that produced by Ocean Plastics and China Gulf, by quarters, 1975-77

Period	Producers' prices		Importers' prices		Producers price minus importers price	Ratio of importers' prices to producers prices
	Lowest range	Weighted average	Lowest range	Weighted average		
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	
1975:						
Jan.-Mar-----	48-67	58.59	***	***	***	***
Apr.-June----	48-67	57.91	2/	***	***	***
July-Sept----	48-67	58.17	***	***	***	***
Oct.-Dec-----	48-69	58.93	***	***	***	***
1976:						
Jan.-Mar-----	49-81	60.89	2/	***	***	***
Apr.-June----	49-78	60.13	***	***	***	***
July-Sept----	49-86	62.31	***	***	***	***
Oct.-Dec-----	49-85	58.57	***	***	***	***
1977:						
Jan.-Mar-----	50-66	60.12	***	***	***	***
Apr.-June----	50-69	60.51	***	***	***	***
July-Sept----	50-73	61.37	***	***	***	***
Oct.-Dec-----	50-74	60.80	***	***	***	***

1/ All prices are reported prices received for the largest shipment each quarter to each company's 3 largest customers.

2/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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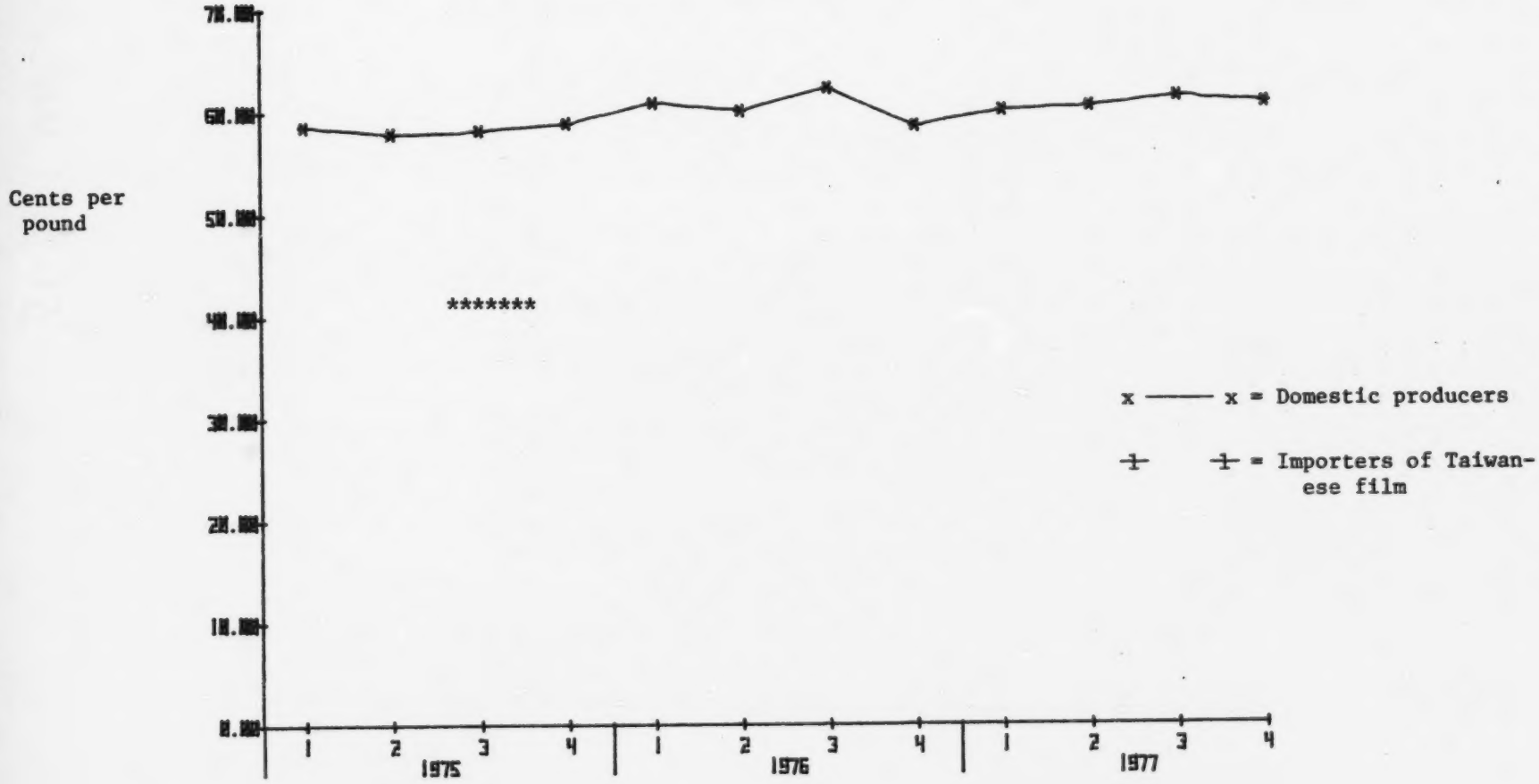
Figure 4.--Unsupported, flexible, calendered PVC film 4.0 to 5.9 mil gage; Net f.o.b. selling prices received by U.S. producers and importers of Taiwanese PVC sheet and film, other than that produced by Ocean Plastics and China Gulf, by quarters, 1975-77



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A series of official wholesale price indexes for plastics and resin materials is shown in the tabulation below. The prices of all plastics and resin materials increased steadily from 92.1 in 1973 to 197.0 in 1977. During this period the index for general purpose PVC resins increased by about 90 percentage points. The wholesale price index of unsupported PVC sheet 1/ and film climbed by 66.8 percentage points from 1973-77, as shown in the tabulation below (1967=100, except as noted):

Year	Chemical and allied products	Rubber and plastic products	Unsupported PVC sheet and film 1/	Plastics and resin materials	General purpose PVC resins
1973	110.1	112.4	103.8	92.1	97.4
1974	146.8	136.2	145.1	143.8	152.7
1975	181.3	150.2	163.9	180.9	170.1
1976	187.2	159.2	167.9	194.0	182.2
1977 2/	192.6	167.6	170.6	197.0	187.1

1/ December 1970=100.

2/ The 1977 average was calculated by U.S. International Trade Commission's personnel.

1/ This wholesale price index is based primarily on flexible PVC sheet and film, which may be produced by the extrusion, casting, or calendering process.

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[redacted]

APPENDIX A

TREASURY LETTER ADVISING THE COMMISSION OF ITS DETERMINATION OF SALES AT LTFV AND TREASURY'S FEDERAL REGISTER NOTICES

A-38

THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

JAN 10 1978

Dear Mr. Chairman:

In accordance with section 201(a) of the Antidumping Act, 1921, as amended, you are hereby advised that polyvinyl chloride sheet and film from the Republic of China (Taiwan), with the exception of that merchandise produced by Ocean Plastics Co., Ltd. and China Gulf Plastics Corp., is being, or is likely to be, sold at less than fair value within the meaning of the Act.

This determination excludes Ocean Plastics on the grounds of de minimis sales at less than fair value and discontinues the investigation with respect to China Gulf Plastics on the basis of minimal margins and formal price assurances.

For purposes of Treasury's investigation, the term "polyvinyl chloride sheet and film" means unsupported, flexible, calendered polyvinyl chloride sheet, film and strips over 6 inches in width and over 18 inches in length, and at least 0.002 inches, but not over 0.020 inches in thickness.

The U.S. Customs Service is making the files relative to this determination available to the International Trade Commission under separate cover. These files are for the Commission's use in connection with its investigation as to whether an industry in the United States is being, or is likely to be, injured, or is prevented from being established, by reason of the importation of this merchandise into the United States. Since some of the data in these files is regarded by the Treasury to be of a confidential nature, it is requested that the Commission consider all information therein contained for the use of the Commission only, and not to be disclosed to others without prior clearance with the Treasury Department.

Sincerely yours,

Robert H. Mundheim
General Counsel

The Honorable
Daniel Minchow
U. S. International Trade Commission
Washington, D. C. 20436

53

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POLYVINYL CHLORIDE SHEET AND FILM FROM THE REPUBLIC OF CHINA

Antidumping Proceeding Notice

AGENCY: United States Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether imports of polyvinyl chloride sheet and film from the Republic of China are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. Sales at less than fair value generally means that the prices of the merchandise sold for exportation to the United States are less than the prices of such or similar merchandise sold in the home market.

EFFECTIVE DATE: This investigation will begin on April 1, 1977.

FOR FURTHER INFORMATION CONTACT:

Richard Rimlinger, Duty Assessment Division, United States Custom Service, 1301 Constitution Avenue NW., Washington, D.C. 20229 (202-566-5492).

SUPPLEMENTARY INFORMATION: On February 24, 1977, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of the Plastic Imports Action Committee (PIAC), indicating a possibility that polyvinyl chloride sheet and film from the Republic of China are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.). The PIAC is an ad hoc group consisting of the following United States producers of the subject articles: The Goodyear Tire and Rubber Company; Harte and Company, Inc., a subsidiary of Diamond Shamrock Corporation; Tenneco Chemicals, Inc., a subsidiary of Tenneco; Pantasote Co. of New York, Inc.; W. R. Grace and Co., Hatco Plastics Division; and Hooker Chemicals and Plastic Corp., Ruco Division.

For purposes of this notice the term "polyvinyl chloride sheet and film" means unsupported, flexible, calendered polyvinyl chloride sheet, film and strips over 6 inches in width and over 12 inches in length, and at least 0.002 inches, but not over 0.020 inches in thickness.

There is evidence on record concerning injury to, or the likelihood of injury to, or prevention of establishment of an industry in the United States. This evidence indicates that imports of the subject merchandise from the Republic of China have increased sharply since 1974, both in absolute terms and in terms of market share, and that such increase has been due in part to significant undercelling by these imports. Available information further indicates that production, sales, capacity utilization and employment within the domestic industry have all declined in recent years as a result, in part, of possible less-than-fair value imports from the Republic of China. In addition, it appears that the alleged less-than-fair-value prices have contributed to some suppression of prices of the domestic product, which in turn has led to low profit levels for the United States industry.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined as a result thereof that there are grounds for so doing, the U.S. Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

A summary of price information received from all sources is as follows:

The information received tends to indicate that the prices of the merchandise sold for exportation to the United States are less than the prices for home consumption.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

JOHN H. HARPER,
Acting Assistant Secretary of the Treasury.

MARCH 28, 1977.

[FR Doc.77-9706 Filed 3-30-77;10:11 am]

ADVISORY COMMITTEE ON REFORM OF THE INTERNATIONAL MONETARY SYSTEM

Meeting

Notice is hereby given that the Advisory Committee on Reform of the International Monetary System will meet at the Treasury Department on April 19, 1977.

The meeting is called in order to obtain the full and frank opinions of the participants in the Advisory Committee regarding international monetary questions to be discussed at international meetings on April 23 and 29 of the Interim Committee of the Board of Governors of the International Monetary Fund.

A determination as required by Section 10(d) of the Federal Advisory Committee Act (Pub. L. 92-463) has been made that this meeting is for the purpose of considering matters falling within the exemption to public disclosure set forth in 5 U.S.C. 552b(c)(1) and that the public interest requires such meeting be closed to public participation.

Any comment or inquiry with respect to this notice can be addressed to Donald Syvrud, Director, Office of International Monetary Affairs, U.S. Department of the Treasury, Washington, D.C. 20220, 202-566-5365.

Dated: March 28, 1977.

HENRY C. STOCKELL, Jr.,
Acting General Counsel.

[FR Doc.77-9707 Filed 3-31-77;8:45 am]

Office of the Secretary

METAL-WALLED ABOVE-GROUND SWIMMING POOLS FROM JAPAN

Antidumping; Determination of Sales at Less Than Fair Value

AGENCY: United States Treasury Department.

ACTION: Determination of Sales at Less Than Fair Value.

SUMMARY: This notice is to advise the public that an anti-dumping investigation has been completed and that it has been determined that metal-walled above-ground swimming pools from Japan are being, or likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market or to third countries. This case is being referred to the International Trade Commission for it to determine whether a United States industry is being injured.

EFFECTIVE DATE: This determination will be effective on April 1, 1977.

FOR FURTHER INFORMATION CONTACT:

Mary S. Clapp, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue, NW., Washington, D.C. 20229 (202-566-5492).

SUPPLEMENTARY INFORMATION: Information was received in proper form on March 18, 1976, from counsel acting on behalf of Muskin Corporation, Colton, California, alleging that metal-walled above-ground swimming pools from Japan were being sold at less than fair value, thereby causing injury to, or the likelihood of injury to, or the prevention of the establishment of an industry in the United States, within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). On the basis of this information and subsequent preliminary investigation by the Customs Service, an "Antidumping Proceeding Notice" was published in the FEDERAL REGISTER of April 21, 1976 (41 FR 16067).

The Secretary concluded that a tentative determination could not reasonably be made within the usual 6-month period. The period in this case was therefore extended to no more than 8 months, and a "Notice of Extension of Investigatory Period" to that effect was published in the FEDERAL REGISTER of October 7, 1976 (41 FR 44197).

A "Notice of Tentative Discontinuance of Antidumping Investigation" was published in the FEDERAL REGISTER of December 27, 1976 (41 FR 56248), with regard to metal-walled above-ground swimming pools from Japan. However, information gathered and analyzed subsequent to the tentative discontinuance indicates that metal-walled above-ground swimming pools from Japan are being, or likely to be, sold at less than fair value.

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Counsel for petitioner has claimed that possible additional dumping margins may have been created by sales below the cost of acquisition by trading companies which export carbon steel plate from Japan and also sell this merchandise to ultimate users and other home market purchasers. Some information has been received indicating a possibility that this practice may be occurring. Prior to any Final Determination, therefore, additional information relevant to this claim will be requested, and such information as is received will be taken into account for the purposes of making the Final Determination.

f. Result of Fair Value Comparisons. Using the above criteria, preliminary analysis suggests that purchase price or exporter's sales price probably will be lower than the constructed value of such merchandise. Comparisons were made on approximately 58 percent of the subject merchandise sold to the United States by the five manufacturers during the investigative period. Margins were tentatively found ranging from 1 to 48 percent for sales made by Nippon Steel on 100 percent of sales compared, from 6 to 55 percent for sales made by NKK on 100 percent of sales compared, from 8 to 52 percent for sales made by Sumitomo on 100 percent of sales compared, from 0.4 to 52 percent for sales made by Kawasaki on 97 percent of sales compared, and from 7 to 44 percent for sales made by Kobe on 100 percent of sales compared. Weighted average margins over the total sales compared for each firm were approximately 31 percent for Nippon Steel, 38 percent for NKK, 32 percent for Sumitomo, 27 percent for Kawasaki, and 32 percent for Kobe.

Accordingly, Customs officers are being directed to withhold appraisement of carbon steel plate from Japan in accordance with section 153.48, Customs Regulations (19 CFR 153.48).

In accordance with section 153.40, Customs Regulations (19 CFR 153.40), interested persons may present written views or arguments, or request in writing that the Secretary of the Treasury afford an opportunity to present oral views.

Any request that the Secretary of the Treasury afford an opportunity to present oral views should be addressed to the Commissioner of Customs, 1301 Constitution Avenue NW., Washington, D.C. 20229, in time to be received by his office no later than October 17, 1977. Such requests must be accompanied by a brief statement outlining the issues wished to be discussed, which issues may be discussed in greater detail in a written brief.

All written views or arguments should likewise be addressed to the Commissioner of Customs in time to be received in his office no later than November 7, 1977. All persons submitting written views or arguments should avoid repetitious and merely cumulative material. Counsel for the petitioner and the respondents are requested to serve all written submissions on all other counsel and to file their submissions with the Commissioner of Customs in ten copies.

This notice, which is published pursuant to section 153.35(b), Customs Regulations (19 CFR 153.35(b)), shall become effective October 6, 1977. It shall cease to be effective April 6, 1978, unless previously revoked.

PETER D. EHRENHAFT,
Deputy Assistant Secretary (Tariff Affairs).

SEPTEMBER 30, 1977.

[FR Doc. 77-29126 Filed 10-5-77;8:45 am]

[4810-22]

Office of the Secretary

POLYVINYL CHLORIDE SHEET AND FILM FROM THE REPUBLIC OF CHINA

Antidumping; Withholding of Appraisement Notice

AGENCY: United States Treasury Department.

ACTION: Withholding of appraisement.

SUMMARY: This notice is to advise the public that there are reasonable grounds to believe or suspect that there are or are likely to be sales of polyvinyl chloride sheet and film from the Republic of China at less than fair value within the meaning of the Antidumping Act of 1921. (Sales at less than fair value generally occur when the price of merchandise sold for exportation to the United States is less than the price of such or similar merchandise sold in the home market or to third countries.) Appraisement for the purpose of determining the proper duties applicable to entries of this merchandise will be suspended for 6 months. Interested persons are invited to comment on this action.

EFFECTIVE DATE: October 6, 1977.

FOR FURTHER INFORMATION CONTACT:

David R. Chapman or Richard Rimlinger, Operations Officers, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, Telephone: 202-566-5492.

SUPPLEMENTARY INFORMATION: On February 24, 1977, information was received in proper form pursuant to sections 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of the Plastic Imports Action Committee (PIAC), alleging that polyvinyl chloride sheet and film from the Republic of China are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act".) The PIAC is an ad hoc group consisting of the following United States producers of the subject merchandise: The Goodyear Tire and Rubber Co.; Harte and Co., Inc., a subsidiary of the Diamond Shamrock Corp.; Tenneco Chemicals, Inc., a subsidiary of Tenneco; Pantasote Co. of New York, Inc.; W. R. Grace and Co., Hatco Plastics Division; and Hooker Chemicals and Plastic Corp., Ruco Division. An "Anti-dumping Proceeding Notice" indicating that there was evidence on record concerning injury to or likelihood of injury to or prevention of establishment of an industry in the United States was published in the FEDERAL REGISTER of April 1, 1977 (42 FR 17558).

For purposes of this notice the term "polyvinyl chloride sheet and film" means unsupported, flexible, calendered polyvinyl chloride sheet, film and strips over 6 inches in width and over 18 inches in length, and at least 0.002 inches, but not over 0.020 inches in thickness.

TENTATIVE DETERMINATION OF SALES AT LESS THAN FAIR VALUE

On the basis of the information developed in Customs' investigation and for the reasons noted below, pursuant to section 201(b) of the Act (19 U.S.C. 160(b)), I hereby determine that there are reasonable grounds to believe or suspect that the purchase price of polyvinyl chloride sheet and film from the Republic of China is less, or likely to be less, than the fair value, and thereby the foreign market value of such or similar merchandise.

STATEMENT OF REASONS ON WHICH THIS DETERMINATION IS BASED

a. *Scope of the Investigation.* It appears that approximately 90 percent of the imports of the subject merchandise from the Republic of China is sold for export to the United States by Nan Ya Plastics (Nan Ya), China Gulf Plastics Corp. (China Gulf), Cathay Plastic Industry, Ltd. (Cathay Plastics) and Ocean Plastics Co., Ltd. (Ocean Plastics), all of Taipei, Republic of China. The investigation therefore was limited to sales by these four exporters.

b. *Basis of Comparison.* For the purposes of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the Act, the proper basis of comparison appears to be between the purchase price and the home market price of such or similar merchandise. Purchase price, as defined in section 203 of the Act (19 U.S.C. 162) was used since the great preponderance of export sales to the United States appears to be made to non-related customers.

Home market price as defined in § 153.2, Customs Regulations (19 CFR 153.2), was used since such or similar merchandise appears to have been sold by the manufacturers in the home market in sufficient quantities to provide a basis for fair value comparisons.

In accordance with section 153.31(b), Customs Regulations (19 CFR 153.31(b)), pricing information was sought concerning imports and home market sales during the period October 1, 1976, through March 31, 1977.

Because the manufacturers subject to this investigation did not submit responses in sufficient time to be verified and analyzed for use in making a tentative determination in this case, the best information available has been utilized for purposes of this determination. In this case the best information available is that submitted by the petitioner. The data submitted by the petitioner covered the period February-August 1976.

Since the responses of the respondent manufacturers were not timely submitted and therefore could not be utilized for pur-

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poses of this tentative determination, counsel for the manufacturers withdrew their responses for the purpose of reinvestment and review. If the information requested is resubmitted in sufficient time for verification and analysis prior to the final determination in this proceeding, it will be used to form the basis of that determination.

c. *Purchase Price.* For the purpose of this tentative determination of sales at less than fair value, the purchase price has been calculated on the basis of the sales price to the unrelated United States purchasers with deduction for inland freight.

d. *Home Market Price.* For the purpose of this tentative determination of sales at less than fair value, the home market price has been calculated on the basis of the delivered prices to unrelated purchasers in the Republic of China. Adjustments have been made for inland freight and for differences in packing costs.

e. *Results of Fair Value Comparisons.* Using the above criteria, comparisons were made on all sales of the subject merchandise to the United States listed in the petition. The petition contained comparisons on approximately 10 percent of the subject exports from the Republic of China to the United States during the period covered. Margins were found on 100 percent of the sales compared. The results of these comparisons, by manufacturer, are shown below in terms of the range and weighted average, respectively (in percent):

1. Nan Ya—5.8 to 20.0, 20.2.
2. Cathay Plastic—6.6 to 37.0, 31.5.
3. China Gulf—10.2 to 41.4, 23.6.
4. Ocean Plastics—12.7 to 43.5, 37.4.

Accordingly, Customs officers are being directed to withhold appraisement of polyvinyl chloride sheet and film from the Republic of China, in accordance with § 153.48 Customs Regulations (19 CFR 153.48).

In accordance with § 153.40, Customs Regulations (19 CFR 153.40), interested persons may present written views or arguments, or request in writing that the Secretary of the Treasury afford an opportunity to present oral views.

Any request that the Secretary of the Treasury afford an opportunity to present oral views should be addressed to the Commissioner of Customs, 1301 Constitution Avenue NW., Washington, D.C. 20229, in time to be received in his office no later than 10 days after the date of publication of this notice in the Federal Register. Such requests must be accompanied by a statement outlining the issues wished to be discussed.

Any written views or arguments should likewise be addressed to the Commissioner of Customs in time to be received in his office no later than November 7, 1977. All persons submitting written views or arguments should avoid repetitious and merely cumulative material. Counsel for the petitioner and the respondents are requested to serve all written submissions on all other counsel and to file their submissions with the Commissioner of Customs in ten copies.

This notice, which is published pursuant to § 153.35(b), Customs Regulations (19 CFR 153.35(b)), shall become effective October 6, 1977. It shall cease to be effective 6 months from the date of publication, unless previously revoked.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

OCTOBER 3, 1977.

[FR Doc.77-29173 Filed 10-5-77,8:45 am]

[4810-25]

WELDED STAINLESS STEEL PIPE AND TUBING FROM JAPAN

Antidumping; Extension of Investigatory Period

AGENCY: Customs Service, Treasury.

ACTION: Extension of Antidumping Investigatory Period

SUMMARY: This notice is to advise the public that the Secretary of the Treasury has determined that a tentative determination as to whether sales at less than fair value of welded stainless steel pipe and tubing from Japan have occurred cannot reasonably be made in six months. This decision will be made in not longer than nine months from the date of the initiation of the investigation. Sales at less than fair value generally occur when the price of merchandise sold for exportation to the United States is less than the price of such or similar merchandise sold in the home market or to third countries.

EFFECTIVE DATE: October 6, 1977.

FOR FURTHER INFORMATION CONTACT:

Mr. Richard Rimlinger, U.S. Customs Service, Office of Operations, Duty Assessment Division, Technical Branch, 1301 Constitution Avenue NW., Washington, D.C. 20229 (202-566-5492).

SUPPLEMENTARY INFORMATION: On March 2, 1977, the United States International Trade Commission notified the Secretary of the Treasury that a petition filed on November 15, 1976, pursuant to section 337 of the Tariff Act of 1930, as amended, concerning welded stainless steel pipe and tubing from Japan may involve matters within the purview of the Antidumping Act of 1921, as amended (19 U.S.C. 160 et seq.) (hereinafter referred to as "the Act").

This product had previously been subject to an antidumping investigation in 1972 which resulted in a notice of "Discontinuance of Antidumping Investigation," published in the FEDERAL REGISTER of November 27, 1972 (37 FR 25233). After examination, it was concluded that the information was sufficient to renew an investigation and a notice of "Reopening of Discontinued Antidumping Investigation" was published in the FEDERAL REGISTER of March 28, 1977 (42 FR 16303).

In reopened discontinued antidumping investigations, the procedures and time periods specified in section 201(b) of the Act are generally followed. In the instant case, six months have been inadequate to collect and analyze all the data and information regarding production costs in the home market necessary to determine whether substantial sales have been made at less than the cost of production in the home market or to third countries over an extended period and at prices which do not permit the recovery of all costs within a reasonable period of time in the normal course of trade as required by section 205(b) of the Act (19 U.S.C. 161(b)).

Accordingly, pursuant to section 201(b)(2) of the Act (19 U.S.C. 160(b)(2)), notice is hereby given that the Secretary concludes that the determination provided for in section 201(b)(1) of the Act (19 U.S.C. 160(b)(1)), cannot reasonably be made within six months. The determination under 201(b)(1) of the Act (19 U.S.C. 160(b)(1)) will therefore be made within not more than nine months, although it is not expected that the entire additional three-month period will be required.

This notice is published pursuant to section 201(b)(2) of the Act (19 U.S.C. 160(b)(2)).

PETER D. EHRENHAFT,
Deputy Assistant Secretary (Tariff Affairs).

SEPTEMBER 30, 1977.

[FR Doc.77-29127 Filed 10-5-77,8:45 am]

[8320-01]

VETERANS ADMINISTRATION

NEW YORK NATIONAL CEMETERY AT CALVERTON, N.Y. (LONG ISLAND)

Availability of Final Environmental Impact Statement

Notice is hereby given that a document entitled "Final Environmental Impact Statement for the Proposed New York National Cemetery, Calverton, N.Y. (Long Island)," dated September 1977, has been prepared as required by the National Environmental Policy Act of 1969.

The proposed National Cemetery is to be located on 900± acres near Calverton, N.Y. (Long Island). This proposed development will provide for approximately 370,000 gravesites and will have an administration building, a memorial center, a committal service center and a maintenance complex to provide for all associated cemetery functions.

The Final Statement discusses the significant environmental impact of the proposed New York National Cemetery and responds to comments on the Draft Statement (January 1977). The document is being placed for public examination in the Veterans Administration Office of Washington, D.C. Persons wishing to examine a copy of the document may do so at the following office: Mr. Jack Whitehill, Assistant Chief Medical Director for Administration (12), Room 615, Veterans Administration, 810 Vermont Avenue NW., Washington, D.C. 20420.

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(a) Director, Facilities Management Division, and Chief, Contract and Procurement Section, National Office.

(b) Regional Commissioner, all Regions, and Chief, Facilities Management Branch, all Regions. The Regional authority for procurement of automatic data processing equipment (ADPE) is limited to the issuance of delivery orders against IRS National Office contracts and General Services Administration contracts entered into solely for the use of IRS, and subject to the terms, conditions, and maximum order limitations of the applicable contract, for lease or maintenance of installed equipment. Regional Commissioners may redelegate the authority to District Directors and Service Center Directors for open-market purchases not to exceed $10,000; for execution of delivery orders for automatic data processing equipment within the limitations described above; and for execution of delivery orders for all other property and services, against Federal Supply Schedule Contracts, Department of the Treasury and other Federal agency contracts, subject to the terms, conditions and maximum order limitations of the applicable contracts.

(c) Director, National Computer Center, and Director, Data Center, for open-market purchases not to exceed $10,000.00. This authority also allows the execution of delivery orders against Federal Supply Schedule Contracts, Department of the Treasury and other Federal agency contracts, subject to the terms, conditions, and maximum order limitations of the applicable contract, but does not include the procurement by other purchase or lease, of automatic data processing equipment, maintenance, and software.

The authority herein delegated to the above designated officials, and any procurement authority redelegated to District Directors and Service Center Directors, may be redelegated only to those Grade GS-7 or above employees under their control and supervision who, by virtue of experience, specialized training and knowledge of applicable laws, Executive Orders and regulations, are qualified to act as contracting officers for the United States. This authority may not be further redelegated. Redelegation of this authority shall be made by letter to procurement personnel who have been duly designated to act as a Contracting Officer for the United States. All letters of redelegation shall specifically set forth the extent of authority redelegated and/or limitations imposed under the redelegation. This delegated authority shall be exercised in accordance with the applicable limitations and requirements of the Federal Property and Administrative Services Act of 1949, as amended, particularly sections 304 and 307; the Federal Procurement Regulations (FPR), 41 CFR Chapter 1; the applicable portions of the Federal Property Management Regulations (FPMR), 41 CFR Chapter 101; as well as regulations and directives issued by the Department of the Treasury which implement and supplement the FPR and FPMR, including but not limited to 41 CFR, Chapter 10 and Treasury Directives Manual, Chapter 70 66, "Treasury Procurement Regulations."

This Order supersedes Delegation Order No. 166 (Rev. 3), issued September 1, 1972.

Date of issue: January 12, 1978.

WILLIAM E. WILLIAMS
Acting Commissioner.

JANUARY 5, 1978.

[FR Doc. 78-1171 Filed 1-13-78; 8:45 am]

[4810-22]

Office of the Secretary

ANTIDUMPING; POLYVINYL CHLORIDE SHEET AND FILM FROM REPUBLIC OF CHINA

Determination of Sales at Less than Fair Value; Exclusion From and Final Discontinuance of Antidumping Investigation

AGENCY: U.S. Treasury Department.

ACTION: Determination of sales at less than fair value; exclusion from, and final discontinuance of antidumping investigation.

SUMMARY: This notice is to advise the public that an antidumping investigation has resulted in a determination that certain polyvinyl chloride sheet and film from the Republic of China is being sold at less than fair value. Sales at less than fair value generally occur when the price of merchandise for exportation to the United States is less than the price of such or similar merchandise sold in the home market or to third countries. This case is being referred to the United States International Trade Commission for a determination whether such sales have caused or are likely to cause injury to an industry in the United States.

EFFECTIVE DATE: January 16, 1978.

FOR FURTHER INFORMATION CONTACT:

David R. Chapman or Richard Rimlinger, Operations Officers, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, 202-566-5492.

SUPPLEMENTARY INFORMATION: On February 24, 1977, information was received in proper form pursuant to §§153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel acting on behalf of Plastic Imports Action Committee (PIAC), alleging that polyvinyl chloride sheet and film from the Republic of China are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the act"). The PIAC is an ad hoc group consisting of the following United States producers of the subject merchandise: The Goodyear Tire and Rubber Co.; Harte and Co., Inc., a subsidiary of the Diamond Shamrock Corp.; Tenneco Chemicals, Inc., a subsidiary of Tenneco; Pantasote Co. of New York, Inc.; W. R. Grace and Co., Hatco Plastics Division; and Hooker Chemicals and Plastic Corp., Ruco Division. An "Antidumping Proceeding Notice" was published in the FEDERAL REGISTER of April 1, 1977 (42 FR 17558). A "Withholding of Appraisement Notice" was published in the FEDERAL REGISTER of October 6, 1977 (42 FR 54499).

For purposes of this notice, the term "polyvinyl chloride sheet and film" means unsupported flexible, calendered polyvinyl chloride sheet, film and strips over 6 inches in width and over 15 inches in length, and at least 0.002 inches, but not over 0.020 inches in thickness. This product, which is classifiable under item number 771.42 of the Tariff Schedules of the United States, is currently eligible for duty-free treatment under the Generalized System of Preferences of the Trade Act of 1974.

DETERMINATION OF SALES AT LESS THAN FAIR VALUE

On the basis of the information developed in the investigation conducted by the Customs Service and for the reasons noted below, I hereby determine that polyvinyl chloride sheet and film from the Republic of China, other than that produced by Ocean Plastics Co., Ltd., and China Gulf Plastics Corp., are being sold at less than fair value within the meaning of section 201(a) of the act (19 U.S.C. 160(a)). In the case of polyvinyl chloride sheet and film from the Republic of China produced by Ocean Plastics, I hereby exclude such merchandise from this determination. In the case of such merchandise produced by China Gulf, I hereby discontinue the antidumping investigation.

a. *Scope of the investigation.* Over 90 percent of the imports of the subject merchandise from the Republic of China is sold for export to the United States by Nan Ya Plastics (Nan Ya), China Gulf Plastics Corp. (China Gulf), Cathay Plastic Industry Ltd. (Cathay Plastic), and Ocean Plastics Co., Ltd. (Ocean Plastics), all of Taipei, Republic of China. The investigation therefore was limited to sales by these four exporters.

b. *Basis of comparison.* For the purposes of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the act, the proper basis of comparison is between the purchase price and the home market price of such or similar merchandise on all sales by China Gulf, Cathay Plastic, and Ocean Plastics, and between purchase price or exporter's sales price and the home market price of such or similar merchandise on sales made by Nan Ya. Purchase price as defined in section 203 of the

57 BEST DOCUMENT AVAILABLE

act (19 U.S.C. 162), was used for three manufacturers since all export sales by those three companies were made to nonrelated customers in the United States. Exporter's sales price as defined in section 204 of the act (19 U.S.C. 163) was used for those sales in which a related importer acted as the seller of the merchandise.

Home market price, as defined in section 153.2, Customs Regulations (19 CFR 153.2), was used since such or similar merchandise was sold by the manufacturers in the home market in sufficient quantities to provide a basis for fair value comparisons.

In accordance with section 153.31(b), Customs Regulations (19 CFR 153.31(b)), pricing information was obtained concerning exports and home market sales during the period October 1, 1976, through March 31, 1977.

c. *Purchase price.* For purposes of this determination, purchase price has been calculated on the basis of the c.i.f. U.S. port, C&F U.S. port, or f.o.b. foreign port price to the unrelated United States purchaser, with deductions for ocean freight, insurance, selling commission and inland freight, as appropriate.

Additions were made, where appropriate, for the amount of the commodity, business, education, and stamp taxes incurred with respect to home market sales but rebated, or not collected, upon exportation. Additionally, Chinese harbor dues and customs duties on imported raw materials rebated upon exportation were added where appropriate.

d. *Exporter's sales price.* For purposes of this determination, exporter's sales price has been calculated on the basis of the c.i.f. U.S. port price to unrelated United States customers, with deductions for credit expenses incurred on sales to the United States, selling commissions where appropriate, Chinese inland freight, ocean freight, marine insurance, brokerage, and expenses incurred in selling the merchandise to the United States.

Additions were made, where appropriate, for the amount of the commodity, business, education, and stamp taxes incurred with respect to home market sales but rebated, or not collected, upon exportation. Additionally, Chinese harbor dues and customs duties on imported raw materials rebated upon exportation were added.

e. *Home market price.* For purposes of this determination, the home market price has been calculated on the basis of the weighted-average, delivered packed price to unrelated purchasers with deductions for inland freight, differences in payment terms, differences in packing costs, quantity discounts (for Nan Ya and China Gulf only), prompt payment discounts (for Nan Ya and China Gulf only), differences in returns and allowances on defective merchandise, a partial offset to U.S. selling expenses deducted from exporter's sales price (for certain sales by Nan Ya only), and an offset to U.S. selling commission (for certain sales by China Gulf).

Additions were made for the following costs associated with export sales: export license fees, currency exchange costs, postage charges and a contribution to an export-promotion fund.

Deductions claimed for the following adjustments to home market price were not allowed: smaller order size, bad debts, distributor discounts, a greater offset to U.S. selling expenses deducted from exporter's sales price, and technical assistance (for Cathay Plastic only).

Smaller order size adjustments were not allowed because it has not been established to the satisfaction of the Secretary that the amount of any price differential is wholly or partly due to differences in the costs of production stemming from differences in order sizes. Claims for distributor discounts were not allowed on home market sales by Nan Ya, China Gulf, and Ocean Plastics because evidence indicated that all three firms sold to end-users in the United States and because sales to both distributors and end users in the home market were generally made at the same initial price. Accordingly, to have allowed the claim for distributor discounts would have resulted in comparisons at different levels of trade.

Claims for technical assistance and bad debts were not supported by adequate factual data and evidence. The claim for a greater offset for selling and administrative expenses deducted in the calculation of exporter's sales price was not allowed because certain selling and administrative expenses claimed in the home market could not be allocated either to the product or to the applicable market.

f. *Result of fair value comparisons.* Using the above criteria, the purchase price and exporter's sales price were found to be lower than the home market price of such or similar merchandise. Comparisons were made on approximately 80 percent of the total sales of the subject merchandise to the United States by all manufacturers investigated for the period under investigation. Margins were found ranging from 2.1 to 46.7 percent on sale made by Nan Ya on 36.2 percent of the sales compared, from 2.1 to 45.1 percent on sales made by Cathay Plastic on 97.7 percent of the sales compared, from 0.12 to 11.5 percent on sales made by China Gulf on 10.8 percent of the sales compared, and from 0.9 to 1.4 percent on sales made by Ocean Plastics on 2.9 percent of the sales compared. Weighted-average margins of each firm's sales compared were 4.4 percent for Nan Ya, 10.7 percent for Cathay Plastic, 0.22 percent for China Gulf, and 0.04 percent for Ocean Plastics.

In the case of Ocean Plastics, the weighted-average margin is considered to be de minimis.

In the case of China Gulf, the weighted-average margin is considered to be minimal in relation to the total volume of sales. In addition, formal assurances have been received from that producer that it would make no future sales at less than fair value within the meaning of the act.

The Secretary has provided an opportunity to known interested persons to present written and oral views pursuant to § 153.43, Customs Regulations (19 CFR 153.43).

The U.S. International Trade Commission is being advised of this determination.

The order issued October 6, 1977, to withhold appraisement on the subject merchandise from the Republic of China, the notice of which is cited above, is hereby terminated with respect to China Gulf and Ocean Plastics, effective upon publication of this notice.

This determination is being published pursuant to section 201(d) of the Act (19 U.S.C. 160(d)).

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

JANUARY 10, 1978.

[FR Doc. 78-1614 Filed 1-13-78; 8:45 am]

[7035-01]

INTERSTATE COMMERCE COMMISSION

[Docket Nos. AB-37 and AB-9 (Sub-Nos. 9 and 10)]

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD CO. AND CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD CO.—ABANDONMENT OF LINE—AND ABANDONMENT OF OPERATIONS—PORTION OF SPOKANE, PORTLAND & SEATTLE RAILWAY CO. AND CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD CO. BETWEEN SOUTH MONTESANO AND MONTESANO IN GRAYS HARBOR COUNTY, WASH.

Findings

Notice is hereby given pursuant to Section 1a(6)(a) of the Interstate Commerce Act (49 U.S.C. 1a(6)(a)) that by an order entered on November 14, 1977, a finding, which is administratively final, was made by the Commission, Review Board Number 5, stating that, subject to the conditions for the protection of railway employees prescribed by the Commission in *Oregon Short Line R. Co.—Abandonment—Goshen*, 354 I.C.C. 584 (1978), the present and future public convenience and necessity permit the abandonment by the Oregon-Washington Railroad and

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APPENDIX B

USITC FEDERAL REGISTER NOTICE OF INVESTIGATION AND NOTICE OF INVESTIGATION AND HEARING

SOUTH DAKOTA

Harding County

Ludlow vicinity, *Ludlow Cave and Petroglyphs*, SW of Ludlow off U.S. 85.

Hughes County

Pierre, *Brink-Wagner House*, 110 E. 4th St.

TEXAS

Blanco County

Round Mountain, *Round Mountain Stagecoach Inn and Stable*, SR 962 off U.S. 281.

Galveston County

Galveston, *Elissa*, Seawolf Park.

Gregg County

Longview, *Northcutt House*, 313 S. Fredonia St.

UTAH

Summit County

Park City, *LDS Park City Meetinghouse*, 424 Park Ave.

Utah County

Provo, *Wells, Peter, House*, 575 N. University Ave.

Wasatch County

Midway, *Midway School*, 1st N. and 1st. W. Sts.

VIRGINIA

South Boston (Independent city)

Reedy Creek Site.

WISCONSIN

Racine County

Racine, *Sharp, Dr., Family Medicine Building*, 215 State St.

[FR Doc. 78-1424 Filed 1-23-78; 8:45 am]

[7020-02]

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-35]

CERTAIN MOLDED GOLF BALLS

Order Cancelling Prehearing Conference and Hearing

Notice is hereby given that the prehearing conference and hearing in this matter, presently scheduled for January 20 and January 27, 1978, respectively, are cancelled. The Respondents have indicated that they will not attend the hearing, and the complainant and the staff have submitted a motion for summary determination as to all issues and all respondents. The presiding officer has determined that the motion as filed is sufficient to form the basis of a recommended determination under rule 210.53(f), and therefore no evidentiary hearing is required.

The Secretary shall serve a copy of this order upon all parties of record and shall publish this order in the FEDERAL REGISTER.

Issued: January 18, 1978.

Judge MYRON R. RENICK,
Presiding Officer.

[FR Doc. 78-2025 Filed 1-23-78; 8:45 am]

[7010-02]

[AA1921-176]

IMPRESSION FABRIC OF MANMADE FIBER FROM JAPAN

Time and Place of Public Hearing

Notice is hereby given that the public hearing in this matter scheduled to begin on Wednesday, February 15, 1978, in New York City, will commence at 10 a.m., e.s.t., in the auditorium of the United States Mission to the United Nations, 799 U.N. Plaza, 45th Street and First Avenue, New York, N.Y. (please use 45th Street entrance). Requests for appearances should be filed with the Secretary of the United States International Trade Commission, in writing, at his office in Washington, D.C., not later than noon, Friday, February 10, 1978.

Notice of the investigation and hearing was published in the FEDERAL REGISTER of January 11, 1978 (43 FR 1655).

Issued: January 19, 1978.

By order of the Commission.

KENNETH R. MASON,
Secretary.

[FR Doc. 78-2026 Filed 1-23-78; 8:45 am]

[7020-02]

[AA1921-173]

POLYVINYL CHLORIDE SHEET AND FILM FROM THE REPUBLIC OF CHINA

Investigation and Hearing

Having received advice from the Department of the Treasury on January 12, 1978, that polyvinyl chloride sheet and film from the Republic of China, with the exception of that merchandise produced by Ocean Plastics Co., Ltd., and China Gulf Plastic Corp., is being, or is likely to be, sold at less than fair value, the U.S. International Trade Commission, on January 19, 1978, instituted investigation No. AA1921-173 under section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. For the purposes of its determination concerning sales at less than fair value, the Treasury Department defined "polyvinyl sheet and film" as "unsupported, flexible, calendered polyvinyl chloride sheet, film, and strips over 6 inches in width and over 13 inches in length, and at least 0.002 inches, but not over 0.020 inches in thickness."

Hearing. A public hearing in connection with the investigation will be held in Washington, D.C., beginning at 9:30 a.m., e.s.t., on Thursday, March 2, 1978, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street NW. All persons shall have the right to appear by counsel or in person, to present evidence, and to be heard. Requests to appear at the public hearing, or to intervene under the provisions of section 201(d) of the Antidumping Act, 1921, shall be filed with the Secretary of the Commission, in writing, not later than noon, Friday, February 10, 1978.

There will be a prehearing conference in connection with this investigation which will be held in Washington, D.C., at 9:30 a.m., e.s.t., on Wednesday, February 22, 1978, in Room 117, U.S. International Trade Commission Building, 701 E Street NW.

Issued: January 20, 1978.

By order of the Commission.

KENNETH R. MASON,
Secretary.

[FR Doc. 78-2185 Filed 1-23-78; 10:?? am]

[4510-26]

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

ADVISORY COMMITTEE ON CONSTRUCTION SAFETY AND HEALTH

Meeting

Notice is hereby given that the Advisory Committee on Construction Safety and Health, established under section 107(e)(1) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333) and section 7(b) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 656) will meet on Tuesday, February 14 and Wednesday, February 15, 1978, in Room N-3137, Department of Labor Building, 3rd Street and Constitution Avenue NW., Washington, D.C. 20210. The meeting is open to the public and will begin at 9 a.m.

The purpose of this meeting is to review and develop recommendations on Subpart L (Ladders and Scaffolds) of Part 1926—Construction Standards. The Committee will also finalize recommendations on Subpart T (Floor and Wall Openings, and Stairways) of Part 1926.

Written data, views, or arguments may be submitted, preferably with 20 copies, to the Division of Consumer Affairs. Any such submissions received prior to the meeting will be provided

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

[AA1921-178]

POLYVINYL CHLORIDE SHEET AND FILM FROM THE REPUBLIC OF CHINA

Notice of Investigation and Hearing

Having received advice from the Department of the Treasury on January 12, 1978, that polyvinyl chloride sheet and film from the Republic of China, with the exception of that merchandise produced by Ocean Plastics Co., Ltd. and China Gulf Plastic Corp., is being, or is likely to be, sold at less than fair value, the United States International Trade Commission, on January 19, 1978, instituted investigation No. AA1921-178 under section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. For the purposes of its determination concerning sales at less than fair value, the Treasury Department defined "polyvinyl sheet and film" as "unsupported, flexible, calendered polyvinyl chloride sheet, film and strips over 6 inches in width and over 18 inches in length, and at least 0.002 inches, but not over 0.020 inches in thickness".

Hearing. A public hearing in connection with the investigation will be held in Washington, D.C., beginning at 9:30 a.m., e.s.t., on Thursday, March 2, 1978, in the Hearing Room, U.S. International Trade Commission

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Building, 701 E Street, NW. All persons shall have the right to appear by counsel or in person, to present evidence, and to be heard. Requests to appear at the public hearing, or to intervene under the provisions of section 201(d) of the Antidumping Act, 1921, shall be filed with the Secretary of the Commission, in writing, not later than noon, Friday, February 10, 1978.

There will be a prehearing conference in connection with this investigation which will be held in Washington, D.C. at 9:30 a.m., e.s.t., on Wednesday, February 22, 1978, in Room 117, U.S. International Trade Commission Building, 701 E St., NW.

By order of the Commission:

Kenneth R. Mason
Secretary

Issued: January 20, 1978

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APPENDIX C

GLOSSARY OF TERMS

Extrusion: The process of forming continuous shapes by forcing a molten plastic material through a die. Film (sheet) is made by two distinct techniques via the extrusion process: blow extrusion and slit die extrusion.

Film: A flat section which is very thin in relation to its length and breadth. Some authorities contend that "film" has a nominal thickness of under 10 mils (0.010 inches); others contend that "film" is most often employed in applications requiring thicknesses under 6 mils (0.006 inches). There is lack of agreement as to exactly where the line of demarcation between film and sheet should fall.

Flexible: The United States Customs Court held in C.D. 3885 that flexible PVC film or sheet is film of sheet which is capable of being bent, turned, or twisted without being broken and with or without returning of itself to its former shape; and further, that there is no requirement that a "flexible" article must be capable of being bent, bowed, or twisted in every direction.

Plasticizer: A substance or material incorporated into a material (usually a plastic or an elastomer) to increase its flexibility, workability or distensibility.

Resin: A high-molecular-weight material with no definite melting point. The terms "resin," "polymer," and "plastic" can be (and often are) used interchangeably by the trade.

Rigid: The United States Customs Service classifies film (sheet) as "rigid" when it meets ASTM designation D883-69; that is, it has a modulus of elasticity in tension greater than 100,000 psi. (See ORR ruling 294-71, June 2, 1971.)

Sheet: Applies to thicknesses of 10 mils in gage and over, or to thicknesses of 6 mils in gage and over, depending on which authority one considers.

Stabilizer: An agent used in compounding some plastics to assist in maintaining the physical and chemical properties of the compounded materials at suitable values throughout the processing and service life of the material and/or the parts made therefrom.

Thermoplastic resin: A material that will repeatedly soften when heated and harden when cooled.

Unsupported: PVC film or sheet which has not been bonded (joined) with textiles or other materials for support or backing.

Source: Principally Whittington's Dictionary of Plastics, Technomic Publishing Co., Inc., Stamford, Conn. (1968).

APPENDIX D

CORRESPONDENCE FROM MR. CARL H. SWICK OF ATLANTIC TUBING & RUBBER CO.
TO THE COMMISSION'S STAFF

[redacted]

APPENDIX E

CORRESPONDENCE FROM MR. ROBERT P. MAGID TO THE COMMISSION'S STAFF AND HARTFORD CORPORATION'S DELIVERY SCHEDULE FOR "4- YARD YIELD" PVC FILM